

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: DOCKET NO. 20250007-EI
Environmental cost
recovery clause.

_____ /

VOLUME 1
PAGES 1 - 162

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN MIKE LA ROSA
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY
COMMISSIONER GABRIELLA PASSIDOMO SMITH

DATE: Tuesday, November 4, 2025

TIME: Commenced: 11:45 a.m.
Concluded: 12:15 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

1 COUNSEL OF RECORD FOR APPEARANCES:

2 MARIA MONCADA and JOEL BAKER, ESQUIRES, 700
3 Universe Boulevard, Juno Beach, FL 33408-0420; appearing
4 on behalf of Florida Power & Light Company (FPL).

5 MATTHEW BERNIER and STEPHANIE CUELLO,
6 ESQUIRES, 106 E. College Avenue, Suite 800, Tallahassee,
7 Florida 32301; DIANNE M. TRIPLETT, ESQUIRE, 299 First
8 Avenue North, St. Petersburg, Florida 33701; appearing
9 on behalf of Duke Energy Florida, LLC (DEF).

10 J. JEFFREY WAHLEN, MALCOLM N. MEANS and
11 VIRGINIA PONDER, ESQUIRES, Ausley Law Firm, Post Office
12 Box 391, Tallahassee, Florida 32302; appearing on behalf
13 of Tampa Electric Company (TECO).

14 WALT TRIERWEILER, PUBLIC COUNSEL; CHARLES
15 REHWINKEL, DEPUTY PUBLIC COUNSEL; OFFICE OF PUBLIC
16 COUNSEL, c/o The Florida Legislature, 111 West Madison
17 Street, Room 812, Tallahassee, FL 32399-1400, appearing
18 on behalf of the Citizens of the State of Florida (OPC).

19 JON C. MOYLE, JR. and KAREN A. PUTNAL,
20 ESQUIRES, Moyle Law Firm, 118 North Gadsden Street,
21 Tallahassee, FL 32301; appearing on behalf of Florida
22 Industrial Users Group (FIPUG).

23

24

25

1 APPEARANCES CONTINUED:

2 JACOB IMIG and CARLOS MARQUEZ, ESQUIRES, FPSC
3 General Counsel's Office, 2540 Shumard Oak Boulevard,
4 Tallahassee, FL 32399-0850, appearing on behalf of the
5 Florida Public Service Commission (Staff).

6 ADRIA HARPER, GENERAL COUNSEL; MARY ANNE
7 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service
8 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
9 Florida 32399-0850, Advisor to the Florida Public
10 Service Commission.

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1	I N D E X	
2	WITNESS:	PAGE
3	RICHARD L. HUME	
4	Prefiled Direct Testimony inserted	8
5	MICHAEL SOLE	
6	Prefiled Direct Testimony inserted	25
7	GARY P. DEAN	
8	Prefiled Direct Testimony inserted	40
9	ERIC SZKOLNYJ	
10	Prefiled Direct Testimony inserted	61
11	REGINALD ANDERSON	
12	Prefiled Direct Testimony inserted	74
13	WYATT GRANT	
14	Prefiled Direct Testimony inserted	81
15	ZEL D. JONES-PHILLIPS	
16	Prefiled Direct Testimony inserted	103
17	BYRON T. BURROWS	
18	Prefiled Direct Testimony inserted	137
19		
20		
21		
22		
23		
24		
25		

1	EXHIBITS			
2	NUMBER:		ID	ADMITTED
3	1	Comprehensive Exhibit List	159	159
4	2-22	As identified in the CEL	159	160
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

1 P R O C E E D I N G S

2 CHAIRMAN LA ROSA: Then let's go ahead and
3 let's move to 07. In case you are keeping score at
4 home, we are moving to 07.

5 Mr. Marquez is already in place, go ahead and
6 starts us off.

7 MR. MARQUEZ: All right. Thank you, Mr.
8 Chairman.

9 A Staff notes for the record that PCS Phosphate
10 and Nucor were both excused from appearing today.

11 In addition, there are proposed Type 2
12 stipulations on all issues, with the intervenors not
13 objecting. These may be voted on today.

14 All witnesses were excused from this
15 proceeding, and their testimony may be entered into the
16 record as though read and exhibits admitted when
17 appropriate. We also wanted to draw your attention to
18 two things.

19 First, by notice dated October 2nd, 2023, FPL
20 witness Michael Sole adopted the prefiled direct
21 testimony of Catherine MacGregor.

22 And second, by notice that same date, DEF
23 witness Wyatt Grant adopted the prefiled direct
24 testimony and exhibits of Patricia Q. West.

25 Finally, Mr. Chairman, all parties have agreed

1 to waive post-hearing briefs if the issue stipulations
2 are approved today.

3 CHAIRMAN LA ROSA: Okay. All right. Well,
4 let's see.

5 Any other preliminary matters that need to be
6 discussed?

7 Seeing none, then let's move to prefiled
8 testimony.

9 MR. MARQUEZ: Staff asks that the prefiled
10 testimony of all witnesses identified in Section 6
11 of the Prehearing Order be inserted into the record
12 as though read.

13 CHAIRMAN LA ROSA: All right. Well, then the
14 prefiled testimony of all witnesses will be entered
15 into the record as though read.

16 (Whereupon, prefiled direct testimony of
17 Richard L. Hume was inserted.)

18

19

20

21

22

23

24

25

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF RICHARD L. HUME**

4 **DOCKET NO. 20250007-EI**

5 **MARCH 31, 2025**

6
7 **Q. Please state your name, business address, employer and position.**

8 A. My name is Richard L. Hume. My business address is 700 Universe Boulevard,
9 Juno Beach, Florida 33408. I am employed by Florida Power & Light Company
10 ("FPL" or "the Company") as Sr. Manager, Clause Accounting and Analysis, FPL
11 Finance.

12 **Q. Please describe your educational background and professional experience.**

13 A. I graduated from the University of Florida in 1991 with a Bachelor of Science
14 degree in Business Administration with a Finance Major and earned a Master of
15 Business Administration degree with a Finance Concentration from the University
16 of Florida in 1995. I have over 25 years of utility industry experience. In 1998, I
17 was employed by New-Energy Associates (which became a subsidiary of Siemens
18 Power Generation), working in the areas of financial forecasting, budgeting, as well
19 as cost of service and rate forecasting for both electric and gas utilities. In 2007, I
20 joined Oglethorpe Power and after a year was promoted to the position of Director
21 of Financial Forecasting. In that position I was primarily responsible for the long-
22 range financial forecast and resource planning and new rate design. In 2012, I
23 joined FPL managing a budgeting and data analytics team, where my

responsibilities included conducting analysis related to customer rates and bill impacts. In 2019, I joined Gulf Power as the Regulatory Issues Manager, where my responsibilities included oversight of Gulf Power's Fuel and Purchased Power and Environmental Cost Recovery Clause ("ECRC"), including calculation of cost recovery factors and the related regulatory filings. I am currently employed by FPL as Sr. Manager, Clause Accounting and Analysis, where my responsibility includes support for FPL's cost recovery clause filings.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present for Florida Public Service Commission ("Commission") review and approval FPL's ECRC final net true-up amounts associated with environmental compliance activities for the period January 2024 through December 2024.

Q. Have you prepared or caused to be prepared under your direction, supervision or control an exhibit in this proceeding?

A. Yes, I am sponsoring Exhibit RLH-1. The following forms are contained in Exhibit RLH-1:

- Form 42-1A reflects the final net true-up for the period January 2024 through December 2024.
- Form 42-2A provides the final true-up calculation for the period.
- Form 42-3A provides the calculation of the interest provision for the period.
- Form 42-4A provides the calculation of variances between actual and actual/estimated costs for O&M activities for the period.
- Form 42-5A provides a summary of actual monthly costs for O&M activities

1 in the period.

2 - Form 42-6A provides the calculation of variances between actual and
3 estimated revenue requirements for capital investment projects for the
4 period.

5 - Form 42-7A provides a summary of actual monthly revenue requirements
6 for the period for capital investment projects.

7 - Form 42-8A provides the calculation of depreciation and amortization
8 expense and return on capital investment for each capital investment project.
9 Exhibit RLH-1 provides the beginning of period and end of period
10 depreciable base by production plant name, unit or plant account and
11 applicable depreciation rate or amortization period for each capital
12 investment project for the period.

13 - Form 42-9A presents the capital structure, components and cost rates relied
14 upon to calculate the rate of return applied to capital investments and
15 working capital amounts included for recovery through the ECRC for the
16 period.

17 **Q. What is the source of the data that you present by way of testimony or exhibits**
18 **in this proceeding?**

19 A. Unless otherwise indicated, the data presented in my testimony and supporting
20 forms is taken from FPL's books and records, which are kept in the regular course
21 of FPL's business in accordance with Generally Accepted Accounting Principles
22 and practices, and with the provisions of the Uniform System of Accounts as
23 prescribed by this Commission.

1

2

FPL 2024 FINAL TRUE-UP CALCULATION

3 **Q. Please explain the calculation of FPL's final net true-up amount.**

4 A. Form 42-1A shows the calculation of FPL's final net true-up for the period January
5 2024 through December 2024, a net final over-recovery including interest, of
6 \$20,619,582 which FPL is requesting be included in the calculation of the ECRC
7 Factors for the January 2026 through December 2026 period.

8

9 The actual end-of-period over-recovery for the period January 2024 through
10 December 2024 of \$2,442,875 (shown on Form 42-1A, Line 3) minus the
11 actual/estimated end-of-period under-recovery for the same period of \$18,176,707
12 (shown on Form 42-1A, Line 6) results in the final net true-up over-recovery for
13 the period January 2024 through December 2024 of \$20,619,582 (shown on Form
14 42-1A, Line 7).

15 **Q. Are all costs listed in Forms 42-4A through 42-9A attributable to**
16 **environmental compliance projects approved by the Commission?**

17 A. Yes.

FPL VARIANCES

1

2 **Q. What was the main driver contributing to the final net true-up over-recovery**
3 **for the period January 2024 through December 2024?**

4 A. The 2024 final net true-up over-recovery of \$20,619,582 was driven primarily
5 higher-than-projected clause revenues. Year-end clause revenues applicable to the
6 period were \$393,964,459 (Form 42-2A, Line 3), which is \$12,983,082, or 3.4%,
7 higher than the revenues estimated in FPL's 2024 actual/estimated filing as
8 presented in Docket No. 20240007-EI. Other drivers were O&M and capital
9 variances.

10 **Q. How did actual project O&M and capital revenue requirements for January**
11 **2024 through December 2024 compare with FPL's actual/estimated amounts**
12 **for the period as presented in Docket 20240007-EI?**

13 A. Form 42-4A shows that the variance in total actual project O&M was \$2,524,834,
14 or 6.02%, lower than projected. Form 42-6A shows a capital variance in total actual
15 revenue requirements (depreciation, amortization, income taxes and return on
16 capital investments) associated with the project capital investments of \$5,016,002,
17 or 1.34%, lower than projected. Individual project variances are provided on Forms
18 42-4A and 42-6A. Actual revenue requirements for each capital project for the
19 period January 2024 through December 2024 are provided on Form 42-8A.
20 Explanations for significant variances not explained in my testimony are addressed
21 by FPL witness MacGregor.

22 **Q. Does this conclude your testimony?**

23 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF RICHARD L. HUME**

4 **DOCKET NO. 20250007-EI**

5 **JULY 28, 2025**

6

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

8 A. My name is Richard L. Hume. My business address is 700 Universe Boulevard, Juno
9 Beach, Florida 33408.

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

11 A. I am employed by Florida Power & Light Company (“FPL” or “the Company”) as the
12 Sr. Manager, Clause Accounting and Analysis in the FPL Finance Department.

13 **Q. Have you previously filed testimony in this Environmental Cost Recovery Clause**
14 **(“ECRC”) docket?**

15 A. Yes.

16 **Q. What is the purpose of your testimony?**

17 A. The purpose of my testimony is to present for Commission review and approval the
18 Actual/Estimated True-up associated with FPL’s environmental compliance activities
19 for the period January 2025 through December 2025.

1 **Q. Have you prepared or caused to be prepared under your direction, supervision or**
2 **control an exhibit in this proceeding?**

3 A. Yes, I have. My Exhibit RLH-2 consists of nine forms, PSC Forms 42-1E through
4 42-9E.

- 5 • Form 42-1E provides a summary of the Actual/Estimated True-up amount for
6 the period January 2025 through December 2025.
- 7 • Forms 42-2E and 42-3E reflect the calculation of the Actual/Estimated True-up
8 amount for the period.
- 9 • Forms 42-4E and 42-6E reflect the Actual/Estimated O&M and capital cost
10 variances as compared to original projections for the period.
- 11 • Forms 42-5E and 42-7E reflect jurisdictional recoverable O&M and capital
12 project costs for the period.
- 13 • Form 42-8E reflects return on capital investments and depreciation by project
14 as well as provides the beginning of period and end of period depreciable base
15 by production plant name, unit or plant account, and applicable depreciation
16 rate or amortization period for each capital investment project.
- 17 • Form 42-9E provides the capital structure, components and cost rates relied
18 upon to calculate the rate of return applied to capital investment amounts
19 included for recovery for the period January 2025 through December 2025.

1 **Q. Please explain the calculation of the ECRC Actual/Estimated True-Up amount**
2 **FPL is requesting this Commission to approve.**

3 A. The Actual/Estimated True-Up amount for the period January 2025 through December
4 2025 is an under-recovery, including interest, of \$2,820,065. The Actual/Estimated
5 True-Up amount is calculated on Form 42-2E by comparing actual data for January
6 2025 through May 2025 and revised estimates for June 2025 through December 2025
7 to the projections for the same period. The under-recovery of \$3,370,637 (shown on
8 Form 42-1E, Line 1) less the interest provision of \$550,572 (shown on Form 42-1E,
9 Line 2), results in the final under-recovery of \$2,820,065 (shown on Form 42-1E, Line
10 3). The under-recovery amount of \$2,820,065 will offset the 2024 final net true up
11 over-recovery of \$20,619,582 identified in my March 31, 2025 testimony filed in this
12 docket. The net amount will result in an estimated net over-recovery of \$17,799,517
13 (shown on Form 42-2E, line 11, column 12).

14 **Q. Are all costs listed in Forms 42-4E through 42-8E attributable to environmental**
15 **compliance projects approved by the Commission?**

16 A. Yes.

17 **Q. How do the actual/estimated project costs for January 2025 through December**
18 **2025 compare with original projections for the same period?**

19 A. Form 42-4E shows that total O&M project costs are \$4,567,813 higher than projected,
20 and Form 42-6E shows that total capital project revenue requirements are \$3,470,036
21 higher than projected. Individual project variances are provided on Forms 42-4E and
22 42-6E. Revenue requirements for each capital project for the 2025 actual/estimated

1 period are provided on Form 42-8E. Explanations for significant increases or decreases
2 in project costs are addressed by FPL witness Sole.

3

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

5 A. Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF RICHARD L. HUME**

4 **DOCKET NO. 20250007-EI**

5 **AUGUST 25, 2025**

6

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

8 A. My name is Richard L. Hume. My business address is 700 Universe Boulevard,
9 Juno Beach, Florida 33408.

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

11 A. I am employed by Florida Power & Light Company ("FPL" or "the Company") as
12 Sr. Manager, Clause Accounting and Analysis in the FPL Finance Department.

13 **Q. Have you previously filed testimony in this docket?**

14 A. Yes.

15 **Q. What is the purpose of your testimony?**

16 A. The purpose of my testimony is to present for Commission review and approval
17 FPL's Environmental Cost Recovery Clause ("ECRC") projections and factors for
18 the January 2026 through December 2026 period.

19 **Q. Is this filing in compliance with Order No. PSC-93-1580-FOF-EI, issued in**
20 **Docket No. 930661-EI?**

21 A. Yes. The costs being submitted for the 2026 projected period are consistent with
22 that order.

1 **Q. Have you prepared or caused to be prepared under your direction, supervision**
2 **or control any exhibits in this proceeding?**

3 A. Yes. I am sponsoring Exhibits RLH-3 and RLH-4. Exhibit RLH-3 provides the
4 calculation of proposed ECRC factors for the period January 2026 through
5 December 2026 and includes PSC Forms 42-1P through 42-8P. Exhibit RLH-4
6 provides the calculation of the separation factors used in the calculation of the 2026
7 ECRC factors. FPL witness Michael Sole is co-sponsoring Form 42-5P, which is
8 included in Exhibit RLH-3.

9 **Q. Have you provided a schedule showing the calculation of total environmental**
10 **costs being requested for recovery for the period January 2026 through**
11 **December 2026?**

12 A. Yes. Form 42-1P (page 1) in Exhibit RLH-3 provides a summary of total
13 environmental costs being requested for recovery for the period January 2026
14 through December 2026. Total jurisdictional revenue requirements, including true-
15 up amounts, are \$402,337,149 (page 1, line 4). This amount includes jurisdictional
16 revenue requirements projected for the January 2026 through December 2026
17 period, which are \$420,136,666 (page 1, line 1c), the actual/estimated true-up
18 under-recovery of \$2,820,065 for the January 2025 through December 2025 period
19 (page 1, line 2), and the final net true-up over-recovery of \$20,619,582 for the
20 January 2024 through December 2024 period (page 1, line 3). The detailed
21 calculations supporting the 2024 final true-up and 2025 actual/estimated filings
22 were provided in Exhibits RLH-1 and RLH-2 filed in this docket on March 31,
23 2025, and July 28, 2025, respectively.

1 **Q. Please describe the schedules that are provided in Exhibit RLH-3.**

2 A. Forms 42-1P through 42-8P provide the calculation of ECRC factors for the period
3 January 2026 through December 2026 that FPL is requesting this Commission to
4 approve.

5
6 Form 42-1P provides a summary of total environmental costs being requested for
7 recovery for the period January 2026 through December 2026.

8
9 Form 42-2P presents the O&M costs associated with each environmental project
10 for the projected period, along with the calculation of the total jurisdictional amount
11 of \$56,483,786 for these projects.

12
13 Form 42-3P presents the recoverable amounts associated with capital costs for
14 environmental projects for the projected period, along with the calculation of the
15 total jurisdictional recoverable amount of \$363,652,880.

16
17 Form 42-4P presents the detailed calculation of the capital recoverable amounts by
18 project for the projected period. It provides the beginning of period and end of
19 period depreciable base by production plant name, unit or plant account and
20 applicable depreciation rate or amortization period for each capital project.

21
22 Form 42-5P provides the description and progress of approved environmental
23 projects included in the projected period.

1 Form 42-6P calculates the allocation factors for demand and energy at generation.
2 The average 12 Coincidence Peak (“CP”) demand allocation factors are calculated
3 by determining the percentage each rate class contributes to the average of the
4 twelve-monthly system peaks. The Group Non-Coincident Peak (“GNCP”)
5 demand allocation factors are calculated by determining the percentage each rate
6 class contributes to the sum of the classes’ GNCP. The energy allocators are
7 calculated by determining the percentage each rate class contributes to total kWh
8 sales, as adjusted for losses.

9
10 Form 42-7P presents the calculation of the proposed 2026 ECRC factors by rate
11 class.

12
13 Form 42-8P presents the capital structure, components and cost rates relied upon to
14 calculate the rate of return applied to capital investments included for recovery
15 through the ECRC for the period January 2026 through December 2026.

16 **Q. Do the 2026 ECRC factors reflect adjustments requested by FPL in its Petition**
17 **for base rate increase in Docket No. 20250011-EI, including the proposed**
18 **Settlement Agreement currently under consideration?**

19 A. Yes, the calculation of the amounts included in FPL’s 2026 projections reflect the
20 adjustments proposed in Docket No. 20250011-EI:

- 21 • Project 1 - Air Operating Fees - Transfer of recoverable costs due to transfer
22 of certain air emissions fees.
- 23 • Project 19 - Oil Spill Response: Transfer of recoverable costs for spill

1 prevention related to substations from base to ECRC in order to align
2 recovery under one mechanism.

3 • Project 21 – St. Lucie Turtle Nets: Transfer of recoverable costs, including
4 certain diving costs and capital investment from base to ECRC in order to
5 align recovery of all turtle nets under one mechanism.

6 • Capital recovery schedules – Recovery of the amortization related to the
7 early retired Plant Daniel Units 1 and 2 on the unrecovered ECRC portion
8 of the net investment balance.

9 • Dismantlement accrual – Transfer dismantlement reserves between units,
10 impacting ECRC projects 37 - DeSoto Next Generation Solar Energy
11 Center, 38 - Space Coast Next Generation Solar Energy Center, 39 - Martin
12 Next Generation Solar Energy Center, and 54 - Coal Combustion Residuals.

13 • Production Cost Allocation – Production costs are allocated to rate classes
14 using a 4CP and 12% methodology.

15 **Q. Are there any adjustments requested by FPL in its Petition for base rate**
16 **increase in Docket No. 20250011-EI, including the proposed Settlement**
17 **Agreement currently under consideration, that you have not included in the**
18 **calculation of the 2026 ECRC factors?**

19 A. No.

20 **Q. Has FPL calculated the Weighted Average Cost of Capital (“WACC”) in**
21 **accordance with Commission Order No. PSC-2020-0165-PAA-EU?**

22 A. Yes. The resulting before-tax WACC to be applied to the 2026 projected ECRC

1 capital investments is based on a midpoint ROE of 10.95%, which is the ROE
2 reflected in the proposed Settlement Agreement currently under consideration in
3 Docket No. 20250011-EI. The calculation of the WACC for 2026 is provided in
4 Form 8P included in Exhibit RLH-3.

5 **Q. Are all costs listed in Forms 42-1P through 42-8P included in Exhibit RLH-3**
6 **attributable to environmental compliance projects previously approved by the**
7 **Commission or pending Commission approval?**

8 A. Yes.

9 **Q. Has FPL accounted for stratified wholesale power sales contracts in the**
10 **jurisdictional separation of the environmental costs?**

11 A. Yes. FPL has separated the production-related environmental costs based on
12 stratified separation factors that better reflect the types of generation required to
13 serve load under stratified wholesale power sales contracts. The use of stratified
14 separation factors thus results in a more accurate separation of environmental costs
15 between the retail and wholesale jurisdictions. The calculations of the stratified
16 separation factors are provided in Exhibit RLH-4.

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

18 A. Yes.

ERRATA SHEET**WITNESS: RICHARD HUME****2026 PROJECTION TESTIMONY DATED AUGUST 25, 2025**

Page	Line	Change
4	2	Change “The average 12 Coincidence Peak (“CP”) demand allocation factors are calculated by determining the percentage each rate class contributes to the average of the twelve-monthly system peaks” to “The average 4 Coincidence Peak (“CP”) and 12% demand allocation factors are calculated by determining the percentage each rate class contributes to the average of the four summer monthly system peaks.”

Exhibit No.	Page No.	Change
RLH-3	1 of 206	Replace page 1 of originally filed Exhibit RLH-3 with attached Exhibit RLH-3 page 1 Errata
RLH-3	204 of 206	Replace page 204 of originally filed Exhibit RLH-3 with attached Exhibit RLH-3 page 204 Errata
RLH-3	205 of 206	Replace page 205 of originally filed Exhibit RLH-3 with attached Exhibit RLH-3 page 205 Errata
RLH-4	1 through 14	Replace originally filed Exhibit RLH-4 with attached Exhibit RLH-4 Errata

1 (Whereupon, prefiled direct testimony of
2 Michael Sole was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF KATHARINE MACGREGOR**

4 **DOCKET NO. 20250007-EI**

5 **MARCH 31, 2025**

6

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

8 A. My name is Katharine MacGregor and my business address is 700 Universe
9 Boulevard, Juno Beach, Florida 33408.

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

11 A. I am employed by Florida Power & Light Company (“FPL” or “Company”) as Vice
12 President of Environmental Services.

13 **Q. Please describe your educational background and professional experience.**

14 A. I received a Bachelor of Arts in American History and Classical Studies from the
15 University of Pennsylvania in 2004. I was employed by the United States House of
16 Representatives from 2007 to 2017, serving as Professional Staff on the House
17 Committee on Natural Resources from 2011 to 2017. I was employed by the United
18 States Department of the Interior from 2017 to 2021 in multiple roles, including the
19 Principal Deputy Assistant Secretary for Land and Mineral Management and later
20 as the Deputy Secretary for the Department. I have been employed by FPL since
21 2021 as the Vice President of Environmental Services. In that role, I am responsible
22 for FPL’s environmental licensing and compliance efforts.

23

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. The purpose of my testimony is to explain the significant variances in costs
3 associated with operations & maintenance (“O&M”) expenses and capital
4 investments included in FPL’s Environmental Cost Recovery Clause (“ECRC”)
5 Final True-up for the period of January 2024 through December 2024.

6

7 **FPL Variance Explanations**

8 **Q. How did FPL’s actual project O&M and capital revenue requirements for**
9 **January 2024 through December 2024 compare with actual/estimated**
10 **amounts presented in Docket No. 20240007-EI?**

11 A. Form 42-4A shows that total actual project O&M was \$2,524,834, or 6.0%, lower
12 than projected, and Form 42-6A shows that total actual revenue requirements
13 associated with the project capital investments (depreciation, amortization, income
14 taxes and return on capital investments) was \$5,016,002, or 1.3%, lower than
15 projected. Individual project variances are provided on Forms 42-4A and 42-6A.
16 Actual revenue requirements for each capital project for the period January 2024
17 through December 2024 are provided on Form 42-8A. The calculation of actual
18 revenue requirements is sponsored by FPL witness Richard L. Hume.

19 **Q. Please explain the reasons for the significant variances in project O&M**
20 **expenses and capital revenue requirements.**

21 A. The significant variances in FPL’s 2024 actual O&M expenses and capital revenue
22 requirements compared to actual/estimated amounts are associated with the
23 following projects.

FPL O&M Variance Explanations

Project 3. Continuous Emission Monitoring Systems

Project expenses were \$172,262, or 21.2%, higher than projected. The variance is primarily due to emission testing costs for the Pea Ridge and Perdido sites being higher than originally estimated. The annual testing costs increased due to additional contractor expenses associated with rescheduling the testing because of equipment maintenance requirements. In addition, the Manatee plant continuous emission monitoring system calibration gas costs were higher than originally estimated.

Project 5. Maintenance of Stationary Above Ground Fuel Storage Tanks

Project expenses were \$77,961, or 15.3%, lower than projected. The variance is primarily due to the Power Delivery storage tank maintenance costs being less than originally estimated. Several service center fuel storage tanks were replaced and maintenance on the Line Equipment Service Center diesel tank was cancelled due to plans to take the tank out of service in early 2025.

Project 21. St. Lucie Turtle Nets

Project expenses were \$68,561, or 35.8%, higher than projected. The variance is due to costs required to reset the barrier net in order to maintain sufficient tension on the net to reduce potential sea turtle entanglement.

1 **Project 28. Clean Water Act 316(b) Phase II Rule**

2 Project expenses were \$274,445, or 26.6%, lower than projected. The variance is
3 primarily due to costs for the 316(b) Impingement Optimization Studies for Riviera
4 Beach, Port Everglades, and Dania Beach Energy Centers being less than originally
5 anticipated. Overall, the 316(b) sampling and data analysis process has become
6 more efficient over time, reducing the amount of time required to complete the
7 work and the associated labor costs. Additionally, the consultant budget for 316(b)
8 support during the Gulf Clean Energy Center permit renewal was not needed to
9 address FDEP follow-up questions related to the 316(b) studies. Repairs to the
10 Cape Canaveral horseshoe crab wall also cost less than originally anticipated.

11
12 **Project 38. Space Coast Next Generation Solar Energy Center**

13 Project expenses were \$109,467, or 42.6%, lower than projected. The variance is
14 primarily due to rescheduling component replacements for solar inverters and
15 controls from 2024 to 2025.

16
17 **Project 42. Turkey Point Cooling Canal Monitoring Plan**

18 Project expenses were \$1,652,981, or 18.7%, lower than projected. The variance
19 is primarily due to rescheduling the recovery well piping replacement project from
20 late 2024 to early 2025. Additional time was required to complete the competitive
21 bid and procurement process. The contract was awarded in late November 2024,
22 and the project is currently underway with completion expected in April 2025.

1 **Project 50. Steam Electric Effluent Limitations Guidelines Revised Rules**

2 Project expenses were \$1,360,448, or 27.3%, lower than projected. The variance
3 is due to the Plant Scherer Effluent Limitations Guidelines (“ELG”) compliance
4 project costs associated with FPL’s share of Unit 4’s common plant costs.
5 Following completion of the ELG pilot study in September of 2024, the project
6 schedule was revised to reflect a 6 to 8-month extension for engineering,
7 procurement, construction and commissioning. As a result, the 2024 project costs
8 are lower than originally forecasted due to the shifting of additional equipment
9 procurement from 2024 to 2025.

10
11 **Project 51. Gopher Tortoise Relocations**

12 Project expenses were \$56,452, or 69.3%, lower than projected. The 2024 gopher
13 tortoise relocation expense was lower due to fewer gopher tortoises needing to be
14 relocated than estimated for the second half of 2024. FPL monitors gopher tortoise
15 activity throughout the year at the Sanford, Martin, and Manatee plants’ cooling
16 ponds and the Manatee fuel oil storage terminal. Gopher tortoise burrows must be
17 inspected and filled as necessary to ensure the integrity of the embankments.

18
19 **Project 430. General Solid & Hazardous Waste**

20 Project expenses were \$305,721, or 43.8%, higher than projected. This program
21 involves federal and state mandated identification, handling, storage,
22 transportation, and disposal of solid and hazardous wastes at generation,
23 distribution, and transmission facilities in FPL’s Northwest region. The variance

1 is primarily due to substation transformer leak response and remediation costs
2 during the second half of the year being higher than estimated. In addition, spill
3 response costs were higher than expected due to an increase in the number of
4 distribution transformer spills as a result of increased third-party vehicle accidents
5 and weather events.

6
7 **Emission Allowances**

8 Project expenses were \$243,000 higher than projected. The variance is due to the
9 purchase of nitrogen oxides (“NOx”) allowances to cover the 2023 ozone season
10 obligation for FPL’s ownership portion of Plant Daniel Units 1 and 2. The Plant
11 Daniel ozone season NOx allowance cost was inadvertently omitted from the 2024
12 ECRC Estimated Actual filing.

13
14 **FPL Capital Variance Explanations**

15 **Project 54. Coal Combustion Residuals**

16 Project revenue requirements are estimated to be \$5,204,712, or 11.1%, lower than
17 projected due to changes to the construction schedule for the new Plant Smith
18 wastewater ponds. The project was completed three months later than anticipated,
19 leading to a decrease in the depreciation cost.

20 **Q. Does this conclude your testimony?**

21 **A.** Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF MICHAEL SOLE**

4 **DOCKET NO. 20250007- EI**

5 **JULY 28, 2025**

6

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

8 A. My name is Michael Sole and my business address is 700 Universe Boulevard, Juno
9 Beach, Florida 33408.

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

11 A. I am employed by NextEra Energy, Inc. as Vice President of Environmental Services.

12 **Q. Please describe your educational background and professional experience.**

13 A. I received a Bachelor of Science degree in Marine Biology from the Florida Institute
14 of Technology in 1986. I served as an Officer in the United States Marine Corps from
15 1985 through 1990, attaining the rank of Captain. I was employed by the Florida
16 Department of Environmental Protection (“FDEP”) in multiple roles from 1990 to
17 2010 and served as the Secretary of the FDEP from 2007 through 2010. I was
18 employed by NextEra Energy, Inc. (“NEE”) or its subsidiary Florida Power & Light
19 Company (“FPL” or the “Company”) from 2010 through 2023. From 2016 through
20 2023 I served as the Vice President of Environmental Services for NEE and resumed
21 that role in May 2025. As Vice President of Environmental Services, I am
22 responsible for FPL’s environmental licensing and compliance efforts for the
23 Company.

A. The purpose of my testimony is to explain the reasons for significant variances in costs associated with operation and maintenance (“O&M”) expenses and capital investments included in FPL’s ECRC actual/estimated true-up for the period of January 2025 through December 2025. This is based on five months of actual data and seven months of estimated data.

9 **Q. How do the actual/estimated project O&M and capital revenue requirements for**
10 **January 2025 through December 2025 compare with original projections for the**
11 **same period?**

12 A. Form 42-4E shows that the variance in total project O&M was \$4.6 million, or 9.8%,
13 higher than projected, and Form 42-6E shows that the variance in total revenue
14 requirements associated with the project capital investments (depreciation,
15 amortization, income taxes and return on capital investments) were \$3.5 million, or
16 0.9%, higher than projected. Individual project variances are provided on Forms 42-
17 4E and 42-6E. Revenue requirements for each capital project for the period January
18 2025 through December 2025 are provided on Form 42-8E. The calculation of
19 revenue requirements is sponsored by FPL witness Richard L. Hume.

1 **Q. Please explain the reasons for the significant variances in project O&M expenses**
2 **and capital revenue requirements.**

3 A. The significant variances in FPL's 2025 actual/estimated O&M expenses and capital
4 revenue requirements from original projections are associated with the following
5 projects:

6

7

O&M Variance Explanations

8

Project 1. Air Operating Permit Fees

9 Project expenses are estimated to be \$76,609, or 56.75%, lower than projected. The
10 variance is due to a change in FPL's accrual process for tracking project expenses,
11 whereby FPL now records the amount of the permit invoice when received instead of
12 recording a monthly accrual. The change in the way these costs were recorded caused
13 the total estimated costs to be lower.

14

15

Project 3. Continuous Emission Monitoring Systems

16

17

18

19

20

Project expenses are estimated to be \$94,055, or 12.35%, higher than projected. The
variance is due to increased contractor costs associated with annual certification of
the Pea Ridge Continuous Emission Monitoring System ("CEMS"), having to test on
more days than originally projected, and additional purchases of CEMS protocol
gases used to calibrate emissions monitoring equipment at Plant Manatee.

Project 37. DeSoto Next Generation Solar Energy Center

Project expenses are estimated to be \$318,460, or 64.28%, higher than projected. The variance is primarily due to increased contractor and materials expenditures for additional field work and major component maintenance and repairs necessary to maintain the reliability and performance of aging assets at the Desoto Solar Energy Center.

Project 38. Space Coast Next Generation Solar Energy Center

Project expenses are estimated to be \$110,291, or 37.46%, higher than projected. The variance is primarily due to the rescheduling of component replacements for solar inverters and control systems. The work originally planned for 2024 was deferred to 2025, impacting the timing of expenditures.

Project 50. Steam Electric Effluent Guidelines Revised Rules

Project expenses are estimated to be \$3,779,894, or 53.51%, higher than projected. The variance is primarily due to Plant Scherer Effluent Limitations Guidelines (“ELG”) compliance project costs associated with FPL Unit 4’s share of the plant’s common costs. On May 9, 2024, the United States Environmental Protection Agency published final revisions to the agency’s 2020 ELG rule establishing more stringent wastewater discharge standards for coal-fired power plants, including flue gas desulfurization wastewater and combustion residual leachate. Now that final revisions to the rule are in effect, contract negotiations are ongoing for items with long lead times for the Scherer ELG wastewater treatment system. The referenced

1 variance reflects updated contract terms for the engineering and procurement scope of
2 the wastewater treatment system. The project timing and cost estimates have been
3 refined to reflect the latest project information available.

4

5 **Project 124. Miami Dade Clean Water Recovery Center**

6 Project expenses are estimated to be \$1,225,529, or 35.58%, higher than projected.
7 The increase is due to higher operating costs than projected, including more payroll
8 expense and facility chemical usage than originally estimated.

9

10 **Project 430. General Solid and Hazardous Waste**

11 Project expenses are estimated to be \$240,138, or 32.55%, higher than projected. The
12 variance is due primarily to higher than projected non-polychlorinated biphenyls
13 (non-PCB) mineral oil leaks associated with substations in the areas of Pensacola and
14 Panama City. An increase in leaks required additional contract resources to respond
15 to the cleanups.

16

17 **Capital Variance Explanations**

18 **Project 23. SPCC - Spill Prevention, Control, and Countermeasures**

19 Project revenue requirements are estimated to be \$441,143, or 10.71%, lower than
20 projected. The decrease is primarily due to project delays for the Oily Waste
21 Separator Tank Replacement, which have resulted in lower than projected revenue
22 requirements. At the time of FPL's 2025 ECRC Projection filing in Docket No.

1 20240007-EI, FPL anticipated the project to be completed in 2024. It was not until
2 later in 2024 that it was determined the project would be completed in 2025.

3
4 **Project 34. St. Lucie Cooling Water System Inspection & Maintenance**

5 Project revenue requirements are estimated to be \$111,243, or 13.49%, higher than
6 projected due to a scope of work change associated with the Turtle Deterrent project.
7 Specifically, FPL incurred additional costs for work to resolve test tank integration
8 issues and to replace the aging electrical system.

9
10 **Project 123. The Protected Species Project**

11 Project revenue requirements for the Ft. Myers sawfish barrier project are estimated
12 to be \$54,306, or 46.98%, lower than projected due to schedule adjustments that
13 pushed the planned May 2025 initiation date to November 2025. Permitting activities
14 are expected to be completed by November 2025, followed by bid and award
15 completion in early February 2026, material ordering in March 2026, and in-water
16 installation beginning in April 2026. This revised timeline accommodates regulatory
17 approval processes, avoids in-water work during manatee season, and mitigates risks
18 associated with material cost escalation and storm season storage requirements.

19
20 **Q. Does this conclude your testimony?**

21 **A.** Yes.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF MICHAEL SOLE**

4 **DOCKET NO. 20250007- EI**

5 **AUGUST 25, 2025**

6

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

8 A. My name is Michael Sole and my business address is 700 Universe Boulevard, Juno
9 Beach, Florida 33408.

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

11 A. I am employed by NextEra Energy Inc. as Vice President of Environmental
12 Services.

13 **Q. Have you previously testified in this proceeding?**

14 A. Yes.

15 **Q. What is the purpose of your testimony?**

16 A. The purpose of my testimony is to present to the Commission FPL's Project
17 Progress Report which provides information regarding the various environmental
18 compliance projects that have been approved, or are pending approval, for cost
19 recovery through the Environmental Cost Recovery Clause.

20 **Q. Have you prepared or caused to be prepared under your supervision, direction
21 and control any exhibits in this proceeding?**

22 A. Yes. Along with FPL witness Hume, I am co-sponsoring FPL's Project Progress
23 Report, which is included in Exhibit RLH-3 as Form 42-5P.

1 **Q.** **Does this conclude your testimony?**

2 **A.** Yes.

1 (Whereupon, prefiled direct testimony of Gary
2 P. Dean was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

GARY P. DEAN

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

March 31, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Gary P. Dean. My business address is 299 First Avenue North, St.
3 Petersburg, FL 33701.

4

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

6 A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”), as Rates
7 and Regulatory Strategy Manager.

8

9 **Q. What are your responsibilities in that position?**

10 A. I am responsible for regulatory planning and cost recovery for DEF. These
11 responsibilities include completion of regulatory financial reports and analysis of
12 state, federal and local regulations, and their impacts on DEF. In this capacity, I am
13 responsible for DEF’s Final True-Up, Actual/Estimated Projection and Projection
14 Filings in the Fuel Adjustment Clause, Capacity Cost Recovery Clause, and
15 Environmental Cost Recovery Clause (“ECRC”).

16

1 **Q. Please describe your educational background and professional experience.**

2 A. I joined DEF on April 27, 2020, as the Rates and Regulatory Strategy Manager. Prior
3 to working at DEF, I was the Senior Manager, Optimization for Chesapeake Utilities
4 Corporation (“CUC”). In this role, I was responsible for all pricing related to the
5 company’s natural gas retail business. Prior to working at CUC, I was the General
6 Manager, Electric Operations for South Jersey Energy Company (“SJEC”). In that
7 capacity I held P&L and strategic development responsibility for the company’s
8 electric retail book. Prior to working at SJEC I had various positions associated with
9 rates and regulatory affairs. In these positions I was responsible for all rate and
10 regulatory matters, including tariff and rate design, financial modeling, and analysis,
11 and ensuring accurate rates for billing. I received a Master of Business Administration
12 from Rutgers University and a Bachelor of Science degree in Commerce and
13 Engineering, majoring in Finance, from Drexel University.

14

15 **Q. Have you previously filed testimony before this Commission in connection with**
16 **DEF’s Environmental Cost Recovery Clause (“ECRC”)?**

17 A. Yes.

18

19 **Q. What is the purpose of your testimony?**

20 A. The purpose of my testimony is to present for Commission review and approval
21 DEF’s actual true-up costs associated with environmental compliance activities for
22 the period January 2024 - December 2024.

23

24 **Q. Are you sponsoring any exhibits in support of your testimony?**

1 A. Yes. I am sponsoring Exhibit No. (GPD-1), that consists of nine forms.

2

3 Exhibit No. (GPD-1) consists of the following:

- 4 • Form 42-1A: Final true-up for the period January 2024 - December 2024;
- 5 • Form 42-2A: Final true-up calculation for the period;
- 6 • Form 42-3A: Calculation of the interest provision for the period;
- 7 • Form 42-4A: Calculation of variances between actual and actual/estimated
- 8 costs for O&M Activities;
- 9 • Form 42-5A: Summary of actual monthly costs for the period for O&M
- 10 Activities;
- 11 • Form 42-6A: Calculation of variances between actual and actual/estimated
- 12 costs for Capital Investment Projects;
- 13 • Form 42-7A: Summary of actual monthly costs for the period for Capital
- 14 Investment Projects;
- 15 • Form 42-8A, pages 1-11: Calculation of return on capital investment,
- 16 depreciation expense and property tax expense for each project recovered
- 17 through the ECRC; and
- 18 • Form 42-9A: DEF's capital structure and cost rates.

19

20 These exhibits were developed under my supervision, and they are true and accurate

21 to the best of my knowledge and belief.

22

23 **Q. What is the source of the data that you will present in testimony and exhibits in**

24 **this proceeding?**

1 A. Unless otherwise indicated, the actual data is taken from the books and records of
2 the Company. The books and records are kept in the regular course of DEF's business
3 in accordance with generally accepted accounting principles and practices, and
4 provisions of the Uniform System of Accounts as prescribed by the Federal Energy
5 Regulatory Commission, and any accounting rules and orders established by this
6 Commission. The Company relies on the information included in this testimony and
7 exhibits in the conduct of its affairs.
8

9 **Q. What is the final true-up amount DEF is requesting for the period January 2024**
10 **- December 2024?**

11 A. DEF requests approval of an actual over-recovery amount of \$4,879,758 for the year
12 ending December 31, 2024. This amount is shown on Form 42-1A, Line 1.
13

14 **Q. What is the net true-up amount DEF is requesting for the period January 2024**
15 **- December 2024 to be applied in the calculation of the environmental cost**
16 **recovery factors to be refunded/recovered in the next projection period?**

17 A. DEF requests approval of an adjusted net true-up over-recovery amount of
18 \$2,943,654 for the period January 2024 - December 2024 reflected on Line 3 of Form
19 42-1A. This amount is the difference between an actual over-recovery amount of
20 \$4,879,758 reflected on Line 1 and an actual/estimated over-recovery of \$1,936,104
21 reflected on Line 2 for the period January 2024 - December 2024, as approved in
22 Order PSC-2024-0482-FOF-EI.
23

1 Q. Are all costs listed on Forms 42-1A through 42-8A attributable to
2 environmental compliance projects approved by the Commission?

3 A. Yes.

4

5 Q. How did actual O&M expenditures for January 2024 - December 2024 compare
6 with DEF's actual/estimated projections as presented in previous testimony and
7 exhibits?

8 A. Form 42-4A shows a total O&M project variance of \$2,621,184 or 29% lower than
9 projected. Individual O&M project variances are on Form 42-4A.

10

11 Q. How did actual capital recoverable expenditures for January 2024 - December
12 2024 compare with DEF's estimated/actual projections as presented in previous
13 testimony and exhibits?

14 A. Form 42-6A shows a total capital investment recoverable cost variance of \$36,981
15 or 1% lower than projected. Individual project variances are on Form 42-6A. Return
16 on capital investment, depreciation, and property taxes for each project for the period
17 are provided on Form 42-8A, pages 1-11.

18

19 Q. Please explain the variance between actual project expenditures and the
20 Actual/Estimated projections for the SO₂/NO_x Emissions Allowance (Project 5).

21 A. The O&M variance is \$1,477 or 8% higher than projected. This is due to higher-than-
22 expected SO₂ Allowance expense.

23

24 Q. Does this conclude your testimony?

1 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

GARY P. DEAN

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

July 28, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Gary P. Dean. My business address is 299 First Avenue North, St.
3 Petersburg, FL 33701.

4

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

6 A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as Rates
7 and Regulatory Strategy Manager.

8

9 **Q. Have you previously filed testimony before this Commission in Docket No.**
10 **20250007-EI?**

11 A. Yes, I provided direct testimony on March 31, 2025.

12

13 **Q. Has your job description, education, background, and professional**
14 **experience changed since that time?**

15 A. No.

16

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to present, for Commission review and approval,
3 Duke Energy Florida, LLC's ("DEF") actual/estimated true-up costs associated
4 with environmental compliance activities for the period January 2025 through
5 December 2025. I also explain the variance between 2025 actual/estimated cost
6 projections versus original 2025 cost projections for SO₂/NO_x Emission
7 Allowances (Project 5).

8

9 **Q. Have you prepared or caused to be prepared under your direction,**
10 **supervision or control any exhibits in this proceeding?**

11 A. Yes. I am sponsoring the following exhibit:

12 1. Exhibit No. (GPD-2), which consists of PSC Forms 42-1E through 42-
13 9E.

14 This exhibit provides details on DEF's actual/estimated true-up capital and O&M
15 environmental costs and revenue requirements for the period January 2025
16 through December 2025.

17

18 **Q. What is the actual/estimated true-up amount for the January 2025 through**
19 **December 2025 period that DEF is requesting recovery?**

20 A. The 2025 actual/estimated true-up is an under-recovery, including interest, of
21 \$1,379,869 as shown on Form 42-1E, line 4. The final 2024 true-up over-recovery
22 of \$2,943,654 as shown on Form 42-2E, Line 7a, is added to this total, resulting
23 in a net over-recovery of \$1,563,785 as shown on Form 42-2E, Line 11. The

1 calculations supporting the 2025 actual/estimated true-up are on Forms 42-1E
2 through 42-9E.

3

4 **Q. What capital structure, components and cost rates did DEF rely on to**
5 **calculate the revenue requirement rate of return for the period January 2025**
6 **through December 2025?**

7 A. The capital structure, components and cost rates relied on to calculate the revenue
8 requirement rate of return for the period January 2025 through December 2025
9 are shown on Form 42-9E. This form includes the derivation of debt and equity
10 components used in the Return on Average Net Investment, lines 7 (a) and (b), on
11 Form 42-8E. Form 42-9E also cites the source and includes the rationale for using
12 the particular capital structure and cost rates.

13

14 **Q. How do actual/estimated O&M expenditures for January 2025 through**
15 **December 2025 compare with original projections?**

16 A. Form 42-4E shows that total O&M project costs are estimated to be \$12,205,450.
17 This is \$2.1M, or 21% higher than originally projected. This form also lists
18 individual O&M project variances. Explanations for these variances are included
19 in the Direct Testimonies of Reginald Anderson, Eric Szkolnyj, and Patricia West.

20

21 **Q. How do actual/estimated capital recoverable costs for January 2025 through**
22 **December 2025 compare with DEF's original projections?**

1 A. Form 42-6E shows that total recoverable capital costs are estimated to be
2 \$5,103,489. This is \$102k or 2% lower than originally projected. This form also
3 lists individual project variances. The return on investment, depreciation expense
4 and property taxes for each project for the actual/estimated period are provided
5 on Form 42-8E, pages 1 through 11. Explanations for these variances are included
6 in the Direct Testimonies of Mr. Anderson, Mr. Szkolnyj, and Ms. West.

7
8 **Q. Please explain the O&M variance between the Actual/Estimated and original**
9 **projections for the SO₂/NO_x Emissions Allowance (Project 5).**

10 A. The forecasted O&M variance is \$3,403 lower than projected due to higher-than-
11 projected SO₂ allowance expense.

12
13 **Q. Does this conclude your testimony?**

14 A. Yes.

15

16

17

18

19

20

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

GARY P. DEAN

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

August 25, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Gary P. Dean. My business address is 299 First Avenue North, St.
3 Petersburg, FL 33701.

4

5 **Q. Have you previously filed testimony before this Commission in Docket No.**
6 **20250007-EI?**

7 A. Yes. I provided direct testimony on March 31, 2025, and July 28, 2025.

8

9 **Q. Has your job description, education, background, or professional experience**
10 **changed since that time?**

11 A. No.

12

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to present, for Commission review and approval,
15 Duke Energy Florida, LLC's ("DEF" or "Company") calculation of revenue

1 requirements and Environmental Cost Recovery Clause (“ECRC”) factors for
2 customer billings for the period January 2026 through December 2026. My
3 testimony also addresses capital and O&M expenses for DEF’s environmental
4 compliance activities for the year 2026.

5
6 **Q. Have you prepared or caused to be prepared under your direction,**
7 **supervision, or control any exhibits in this proceeding?**

8 A. Yes. I am sponsoring the following exhibit:

- 9 • Exhibit No. (GPD-3), which consists of PSC Forms 42-1P through 42-8P.

10 The individuals listed below are co-sponsors of Forms 42-5P pages 1-4 and 6-26
11 as indicated in their direct testimony. I am sponsoring Form 42-5P page 5.

- 12 • Mr. Anderson and Ms. West will co-sponsor Form 42-5P page 7.
13 • Mr. Anderson will co-sponsor Form 42-5P pages 20-22.
14 • Mr. Szkolnyj will co-sponsor Form 42-5P page 23.
15 • Ms. West will co-sponsor Forms 42-5P pages 1-4, 6, 8-19, and 24-26.

16
17 **Q. Please summarize your testimony.**

18 A. My testimony supports the approval of an average ECRC billing factor of 0.039
19 cents per kWh which includes projected jurisdictional capital and O&M revenue
20 requirements for the period January 2026 through December 2026 of
21 approximately \$17.4 million, and a net true-up over-recovery provision of
22 approximately \$1.5 million from prior periods. My testimony also supports that

1 projected environmental expenditures for 2026 are appropriate for recovery
2 through the ECRC.

3

4 **Q. What is the total recoverable revenue requirement for the period January**
5 **2026 through December 2026?**

6 A. The total recoverable revenue requirement including true-up amounts is
7 approximately \$15.8 million as shown on Form 42-1P line 4 of Exhibit No. (GPD-
8 3).

9

10 **Q. What is the total true-up to be applied for the period January 2026 through**
11 **December 2026?**

12 A. The total true-up applicable to this period is a net over-recovery of approximately
13 \$1.5 million. This amount consists of the final true-up over-recovery of
14 approximately \$2.9 million for the period January 2024 through December 2024,
15 and an estimated true-up under-recovery of approximately \$1.4 million for the
16 current period of January 2025 through December 2025. The detailed calculation
17 supporting the 2025 estimated true-up was provided on Forms 42-1E through 42-
18 9E of Exhibit No. (GPD-2) filed with the Commission on July 28, 2025.

19

20 **Q. Are all the costs listed on Forms 42-1P through 42-7P attributable to**
21 **environmental compliance programs previously approved by the**
22 **Commission?**

1 A. Yes, the following ECRC programs were previously approved by the
2 Commission:

3

4 The Substation and Distribution System Programs (Project 1 & 2) were previously
5 approved in Order No. PSC-2002-1735-FOF-EI.

6

7 The Pipeline Integrity Management Program (Project 3) and the Above Ground
8 Tank Secondary Containment Program (Project 4) were previously approved in
9 Order No. PSC-2003-1348-FOF-EI.

10

11 The recovery of sulfur dioxide (SO₂) Emission Allowances (Project 5) was
12 previously approved in Order No. PSC-1995-0450-FOF-EI, however, the costs
13 were moved to the ECRC docket from the Fuel docket beginning January 1, 2004
14 at the request of Staff to be consistent with the other Florida investor-owned
15 utilities.

16

17 CAIR was replaced by the Cross-State Air Pollution Rule on January 1, 2015.
18 Consistent with Order No. PSC-2011-0553-FOF-EI, DEF treated the costs
19 associated with unusable NOx emission allowances as a regulatory asset and
20 amortized it over three (3) years, beginning January 1, 2015, until fully recovered
21 December 31, 2017, with a return on the unamortized investment.

22

1 The Phase II Cooling Water Intake 316(b) Program (Project 6) was previously
2 approved in Order No. PSC-2004-0990-PAA-EI, PSC-2018-0014-FOF-EI, and
3 PSC-2020-0433-FOF-EI.

4

5 DEF's Integrated Clean Air Compliance Plan (Project 7) was approved by the
6 Commission as a prudent and reasonable means of complying with the Clean Air
7 Interstate Rule and related regulatory requirements in Order No. PSC-2007-0922-
8 FOF-EI. The NESHAP provision was approved in Order No. PSC-2022-0424-
9 FOF-EI.

10

11 The Arsenic Groundwater Standard Program (Project 8), Sea Turtle Lighting
12 Program (Project 9) and Underground Storage Tanks Program (Project 10) were
13 previously approved in Order No. PSC-2005-1251-FOF-EI.

14

15 The Modular Cooling Tower Project (Project 11) was previously approved in
16 Order No. PSC-2007-0722-FOF-EI.

17

18 The Crystal River Thermal Discharge Compliance Project (Project 11.1) and
19 Greenhouse Gas Inventory and Reporting Project (Project 12) were previously
20 approved in Order No. PSC-2008-0775-FOF-EI.

21

22 The Mercury Total Maximum Loads Monitoring Program (Project 13) was
23 previously approved in Order No. PSC-2009-0759-FOF-EI.

1

2 The Hazardous Air Pollutants (HAPs) ICR Program (Project 14) was previously
3 approved in Order No. PSC-2010-0099-PAA-EI.

4

5 The Effluent Limitations Guidelines ICR Program (Project 15) was previously
6 approved in Order No. PSC-2010-0683-PAA-EI.

7

8 The Effluent Limitations Guidelines Program (Project 15.1) was previously
9 approved in Order No. PSC-2013-0606-FOF-EI.

10

11 The National Pollutant Discharge Elimination System (NPDES) Program (Project
12 16) was previously approved in Order No. PSC-2011-0553-FOF-EI.

13

14 The Mercury & Air Toxic Standards (MATS) Program (Project 17) which
15 replaces Maximum Achievable Control Technology (MACT) was previously
16 approved in Order Nos. PSC-2011-0553-FOF-EI, PSC-2012-0432-PAA-EI and
17 PSC-2014-0173-PAA-EI.

18

19 The Coal Combustion Residual (CCR) Rule (Project 18) was previously approved
20 in Order No. PSC-2015-0536-FOF-EI, Order No. PSC-2018-0594-FOF-EI, and
21 Order No. PSC-2019-0500-FOF-EI.

22

1 The Reclaimed Water Interconnection (Project 19) was previously approved in
2 Order No. PSC-2023-0344-FOF-EI.

3

4 The Lead and Copper Rule (Project 20) was previously approved in Order No.
5 PSC-2023-0344-FOF-EI.

6

7 The Citrus Combined Cycle Water Treatment System (Project 21) was previously
8 approved in Order No. PSC-2024-0482-FOF-EI.

9

10 **Q. Have you prepared schedules showing the calculation of the recoverable**
11 **O&M project costs for 2026?**

12 A. Yes. Form 42-2P of Exhibit No. (GPD-3) summarizes recoverable jurisdictional
13 O&M cost estimates for these projects of approximately \$11.7 million.

14

15 **Q. Have you prepared schedules showing the calculation of the recoverable**
16 **capital project costs for 2026?**

17 A. Yes. Form 42-3P of Exhibit No. (GPD-3) summarizes recoverable jurisdictional
18 capital cost estimates for these projects of approximately \$5.7 million. Form 42-
19 4P pages 1 through 11 show detailed calculations of these costs.

20

21 **Q. Have you prepared schedules providing progress reports for all**
22 **environmental compliance projects?**

1 A. Yes. Form 42-5P pages 1 through 26 of Exhibit No. (GPD-3) provide a
2 description, progress summary and recoverable cost estimates for each project.

3

4 **Q. What are the total projected recoverable jurisdictional costs for**
5 **environmental compliance projects for the year 2026?**

6 A. The total jurisdictional capital and O&M costs to be recovered through the ECRC
7 are approximately \$17.4 million. The costs are calculated on Form 42-1P line 1c
8 of Exhibit No. (GPD-3).

9

10 **Q. Please describe how the proposed ECRC factors are developed.**

11 A. The ECRC factors are calculated on Forms 42-6P and 42-7P of Exhibit No. (GPD-
12 3). The demand component of class allocation factors is calculated by determining
13 the percentage each rate class contributes to monthly system peaks adjusted for
14 losses for each rate class which is obtained from DEF's load research study filed
15 with the Commission on April 28, 2023. The energy allocation factors are calculated
16 by determining the percentage each rate class contributes to total kilowatt-hour sales
17 adjusted for losses for each rate class. Form 42-7P presents the calculation of the
18 proposed ECRC billing factors by rate class.

19

20 **Q. What are DEF's proposed 2026 ECRC billing factors by the various rate**
21 **classes and delivery voltages?**

22 A. The calculation of DEF's proposed ECRC factors for 2026 customer billings is
23 shown on Form 42-7P in Exhibit No. (GPD-3) as follows:

RATE CLASS	ECRC FACTORS
Residential	0.040 cents/kWh
General Service Non-Demand	
@ Secondary Voltage	0.038 cents/kWh
@ Primary Voltage	0.038 cents/kWh
@ Transmission Voltage	0.037 cents/kWh
General Service 100% Load Factor	0.036 cents/kWh
General Service Demand	
@ Secondary Voltage	0.037 cents/kWh
@ Primary Voltage	0.037 cents/kWh
@ Transmission Voltage	0.036 cents/kWh
Curtailable	
@ Secondary Voltage	0.035 cents/kWh
@ Primary Voltage	0.035 cents/kWh
@ Transmission Voltage	0.034 cents/kWh
Interruptible	
@ Secondary Voltage	0.035 cents/kWh
@ Primary Voltage	0.035 cents/kWh
@ Transmission Voltage	0.034 cents/kWh
Lighting	0.031 cents/kWh

1 **Q. When is DEF requesting that the proposed ECRC billing factors be**
2 **effective?**

3 A. DEF is requesting that its proposed ECRC billing factors be effective with the
4 first billing cycle of January 2026 and continue through the last billing cycle of
5 December 2026.

6

7 **Q. Does this conclude your testimony?**

8 A. Yes.

1 (Whereupon, prefiled direct testimony of Eric
2 Szkolnyj was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

ERIC SZKOLNYJ

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC.

DOCKET NO. 20250007-EI

March 31, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Eric Szkolnyj. My business address is 525 South Tryon Street,
3 Charlotte, NC 28202.

4

5 **Q: By whom are you employed and in what capacity?**

6 A: I am employed by Duke Energy Corporation (“Duke Energy”) as General
7 Manager for the Coal Combustion Products (“CCP”) Group - Operations &
8 Maintenance. Duke Energy Florida, LLC (“DEF” or the “Company”) is a fully
9 owned subsidiary of Duke Energy.

10

11 **Q: What are your responsibilities in that position?**

12 A: I am responsible for oversight of the operation and maintenance of the majority
13 of CCP facilities in the Carolinas and Florida, including the CCP facility at the
14 Crystal River Energy Center. This includes operating and maintaining all CCP
15 facilities in compliance with state and federal regulations. The Operations and
16 Maintenance group at each station maintains accountability for overall CCP

1 facility performance which requires close collaboration with other Duke Energy
2 CCP organizations such as Project Implementation, Engineering, and Facility
3 Closure. The Company relies on my opinions and information I provide when
4 making decisions regarding the CCP facilities under my supervision.

5
6 **Q: Please describe your educational background and professional experience.**

7 A: I have a Bachelor of Science degree in Mechanical Engineering from North
8 Carolina State University. I have 19 years of experience in the power generation
9 industry including positions as a Nuclear Control Room Supervisor, Lead
10 Engineer, and Nuclear Oversight Lead Assessor within Duke Energy's Nuclear
11 fleet at Harris Nuclear Plant, and as the Director of Operational Excellence
12 Assessments & Oversight for Duke Energy's Enterprise. Prior to joining Duke
13 Energy, I was employed by the Department of Defense as a civilian Shift Test
14 Engineer for the U.S. Navy. In June of 2021, I began my current role as CCP
15 Regional General Manager.

16
17 **Q. What is the purpose of your testimony?**

18 A. The purpose of my testimony is to explain material variances between actual and
19 actual/estimated project expenditures for environmental compliance costs
20 associated with DEF's Coal Combustion Residual ("CCR") Rule for the period
21 January 2024 - December 2024. DEF did not have any material variances for the
22 period January 2024 – December 2024.

1 **Q.** How did actual O&M project expenditures for the period January 2024 –
2 December 2024 compare to actual/estimated O&M projections for the CCR
3 Rule (Project 18)?

4 A. The CCR Rule O&M variance is \$15,104 or 3% higher than projected.

5

6 **Q.** Does this conclude your testimony?

7 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

ERIC SZKOLNYJ

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

July 28, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Eric Szkolnyj. My business address is 525 South Tryon Street,
3 Charlotte, NC 28202.

4

5 **Q. By whom are you employed?**

6 A. I am employed by Duke Energy Corporation (“Duke Energy”) as General Manager
7 for the Coal Combustion Products (“CCP”) Group - Operations & Maintenance.
8 Duke Energy Florida, LLC (“DEF” or the “Company”) is a fully owned subsidiary
9 of Duke Energy.

10

11 **Q. Have you previously filed testimony before this Commission in Docket No.**
12 **20250007-EI?**

13 A. Yes, I provided direct testimony on March 31, 2025.

14

1 **Q. Has your job description, education, background, and professional experience**
2 **changed since that time?**

3 A. No.

4

5 **Q. What is the purpose of your testimony?**

6 A. The purpose of my testimony is to explain material variances between 2025
7 actual/estimated cost projections and original 2025 cost projections for
8 environmental compliance costs associated with DEF's Coal Combustion Residual
9 ("CCR") Rule compliance project.

10

11 **Q. Please explain the O&M variance between actual/estimated project**
12 **expenditures and original projections for CCR (Project 18) O&M for the**
13 **period January 2025 through December 2025.**

14 A. O&M expenditures for CCR are expected to be \$532,387 (77%) higher than
15 projected. The variance is largely driven by CCR groundwater additional activities
16 that include renting a crusher to accelerate ash removal, sealing portions of the
17 landfill to minimize stormwater infiltration, and increased sampling frequency of
18 surface water & sediment. Additionally, the CCR Legacy Rule Facility Evaluation
19 Report (FER) Part 1 is underway.

20

21 **Q. Please provide an update to the status of the CCR groundwater.**

22 A. Corrective actions, such as the construction of a lined sedimentation pond and
23 perimeter ditches, were completed in 2021 to address objectives of the Assessment

1 of Corrective Measures report and Federal CCR rule. Since this time, DEF has
2 maintained on-going groundwater quality monitoring. Sampling results indicate
3 that remedial actions are required. Additional activities are being taken to achieve
4 the objectives in a three-phase approach: 1. Renting a crusher to facilitate the
5 increased reclamation and beneficial use of landfill materials, 2. Installing a sealant
6 material on disturbed surfaces as temporary cover to reduce infiltration, dust, and
7 erosion in the open areas (exposed ash) of the landfill, and 3. Sampling and
8 laboratory analyses to evaluate changes to surface water and sediment quality to
9 supplement the remedy performance evaluation.

10
11 **Q. Please provide an update to the CCR Legacy Rule.**

12 A. As explained in my 2025 ECRC Projection filing testimony, Docket No. 20240007,
13 the CCR Legacy Rule became effective November 8, 2024. To comply with the
14 CCR Legacy Rule, a Facility Evaluation Report Part 1 has been initiated and is
15 expected to be completed in 2025.

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

18 A. Yes.
19
20
21
22
23

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

ERIC SZKOLNYJ

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

August 25, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Eric Szkolnyj. My business address is 525 South Tryon Street,
3 Charlotte, NC 28202.

4

5 **Q. Have you previously filed testimony before this Commission in Docket No.**
6 **20250007-EI?**

7 A. Yes. I provided direct testimony on March 31 , 2025, and July 28, 2025.

8

9 **Q. Has your job description, education, background, or professional experience**
10 **changed since that time?**

11 A. No.

12

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to provide an update on Duke Energy Florida,
15 LLC's ("DEF" or "Company") proposed compliance activities and 2026
16 estimated costs associated with the Coal Combustion Residual ("CCR") Rule, for

1 which the Company seeks recovery under the Environmental Cost Recovery
2 Clause (“ECRC”).

3

4 **Q. Have you prepared or caused to be prepared under your direction,**
5 **supervision or control any exhibits in this proceeding?**

6 A. Yes. I am co-sponsoring the following portion of Exhibit No. (GPD-3) to Gary P.
7 Dean’s direct testimony:

8 • 42-5P page 23 of 26 – Coal Combustion Residual Rule
9

10 **Q. What O&M costs does DEF expect to incur in 2026 for the Coal Combustion**
11 **Residual Rule Program (Project No. 18)?**

12 A. DEF is forecasting \$1.2M in O&M costs for 2026. Various maintenance and
13 repair work is required for the ash landfill to comply with the rule, including
14 maintenance of the landfill cover, vegetation management, fugitive dust
15 mitigation, weekly and annual inspections, and cleaning out the lined
16 sedimentation pond and perimeter ditches which were installed as groundwater
17 corrective measures. Additional corrective measures are being taken which
18 include renting a crusher to accelerate ash removal, sealing portions of the landfill
19 to minimize stormwater infiltration, and increased sampling frequency of surface
20 water & sediment. DEF will also continue to perform the required ongoing
21 groundwater monitoring for the ash landfill, which includes engineering,
22 sampling, analysis, reporting, and additional actions related to the Legacy CCR
23 rule including performing a Facility Evaluation Report (FER) Part 2 and physical
24 examination of the facility. The 2026 O&M projection also includes the annual

1 preparation and validation of the financial reporting needed to comply with the
2 Florida Department of Environmental Protection's adoption of the CCR Rule.

3

4 **Q. What Capital costs does DEF expect to incur in 2026 for the Coal**
5 **Combustion Residual Rule Program (Project No. 18)?**

6 A. DEF does not expect capital expenditures in 2026.

7

8 **Q. Does this conclude your testimony?**

9 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

REGINALD ANDERSON

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

August 25, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Reginald Anderson. My business address is 299 1st Avenue North,
3 St. Petersburg, FL 33701.

4

5 **Q. Have you previously filed testimony before this Commission in Docket No.**
6 **20250007-EI?**

7 A. Yes. I provided direct testimony on March 31, 2025 and July 28, 2025.

8

9 **Q. Has your job description, education, background, or professional experience**
10 **changed since that time?**

11 A. No.

12

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to provide estimates of ECRC-recoverable costs
15 that will be incurred in 2026 for Duke Energy Florida, LLC's ("DEF" or
16 "Company") environmental compliance programs under my responsibility. These

1 programs include the CAIR/CAMR Crystal River (“CR”) Program (Project 7.4),
 2 Mercury and Air Toxics Standards (MATS) – Crystal River (CR) 4&5 (Project
 3 17), Mercury and Air Toxics Standards (MATS) – Anclothe Gas Conversion
 4 (Project 17.1), and Mercury & Air Toxics Standards (MATS) – Crystal River 1&2
 5 Program (Project 17.2).

6

7 **Q. Have you prepared or caused to be prepared under your direction,**
 8 **supervision or control any exhibits in this proceeding?**

9 A. Yes. I am co-sponsoring the following portions of Exhibit No. (GPD-3) to Gary
 10 P. Dean’s direct testimony:

- 11 • 42-5P page 7 of 26 – Clean Air Interstate Rule (CAIR)
- 12 • 42-5P page 20 of 26 - MATS – CR4&5
- 13 • 42-5P page 21 of 26 - MATS – Anclothe Gas Conversion
- 14 • 42-5P page 22 of 26 - MATS – CR1&2

15

16 **Q. What O&M costs does DEF expect to incur in 2026 for the CAIR/CAMR**
 17 **Crystal River – Energy Program (Project 7.4)?**

18 A. DEF estimates O&M costs of approximately \$9.6M to support reagent and bi-
 19 product costs (ammonia, limestone, hydrated lime, caustic, dibasic acid, and net
 20 gypsum sales/disposal) for use at the CR Energy Complex (“CREC”) as outlined
 21 in DEF’s Integrated Clean Air Compliance Plan.

22

23 **Q. What O&M costs does DEF expect to incur in 2026 for the MATS Program**
 24 **– CR 4&5 (Project No. 17)?**

1 A. DEF estimates O&M costs of approximately \$162K for CR 4&5 MATS
2 compliance. This estimate includes emissions testing, burner inspections,
3 maintenance of emissions monitoring and control technologies, and reagent costs.

4

5 **Q. Does this conclude your testimony?**

6 A. Yes.

7

1 (Whereupon, prefiled direct testimony of
2 Reginald Anderson was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

REGINALD ANDERSON

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

March 31, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Reginald Anderson. My business address is 299 First Avenue North,
3 St. Petersburg, FL 33701.

4

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

6 A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as Vice
7 President – Florida Generation.

8

9 **Q. What are your responsibilities in that position?**

10 A. As Vice President of DEF’s Generation organization, my responsibilities include
11 overall leadership and strategic direction of DEF’s power generation fleet. My
12 responsibilities include strategic and tactical planning to operate and maintain
13 DEF’s non-nuclear generation fleet; generation fleet project and addition
14 recommendations; major maintenance programs; outage and project
15 management; generation facilities retirement; asset allocation; workforce

1 planning and staffing; organizational alignment and design; continuous business
2 improvement; retention and inclusion; succession planning; and oversight of
3 numerous employees and hundreds of millions of dollars in assets and capital and
4 O&M budgets.

5
6 **Q. Please describe your educational background and professional experience.**

7 A. I earned a Bachelor of Science degree in Electrical Engineering Technology and
8 Master of Business from the University of Central Florida in 1996 and 2008
9 respectively. I have 27 years of power plant production experience at DEF in
10 various operational, managerial and leadership positions in fossil steam and
11 combustion turbine plant operations. I also managed the new construction and
12 O&M projects team. I have contract negotiation and management experience.
13 My prior experience includes leadership roles in municipal utilities,
14 manufacturing, and the United States Marine Corps.

15
16 **Q. Have you previously filed testimony before this Commission in connection**
17 **with DEF's Environmental Cost Recovery Clause ("ECRC")?**

18 A. Yes.

19
20 **Q. What is the purpose of your testimony?**

21 A. The purpose of my testimony is to explain material variances between actual and
22 actual/estimated project expenditures for environmental compliance costs
23 associated with DEF's Integrated Clean Air Compliance Program (Project 7.4),

1 Mercury and Air Toxics Standards (MATS) – Crystal River (CR) 4&5 (Project
2 17), Mercury and Air Toxics Standards (“MATS”) - Anclote Gas Conversion
3 Project (Project 17.1), and Mercury & Air Toxics Standards (MATS) – CR 1&2
4 (Project 17.2) for the period January 2024 - December 2024.

5
6 **Q. Please explain the O&M variance between actual project expenditures and**
7 **actual/estimated projections for the CAIR Crystal River Project – Energy**
8 **(Reagents) (Project 7.4) for January 2024 - December 2024?**

9 A. O&M costs for CAIR Crystal River Project – Energy (Reagents) were \$2,440,842
10 or 31% lower than projected. The lower expenses were due to a Gypsum Sales
11 credit of \$675k (33%) greater than forecasted, \$328k (16%) lower for Ammonia
12 expense, \$1,350k (27%) lower for Limestone Expense, \$126k (32%) lower for
13 Caustic Expense, and \$39k (1%) higher for Hydrated Lime Expense.

14
15 **Q. Does this conclude your testimony?**

16 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

REGINALD ANDERSON

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

July 28, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Reginald Anderson. My business address is 299 First Avenue North, St.
3 Petersburg, FL 33701.

4

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

6 A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as Vice
7 President – Regulated & Renewable Energy Florida.

8

9 **Q. Have you previously filed testimony before this Commission in Docket No.**
10 **20250007-EI?**

11 A. Yes, I provided direct testimony on March 31, 2025.

12

13 **Q. Has your job description, education, background, and professional experience**
14 **changed since that time?**

15 A. No.

1

2 **Q. What is the purpose of your testimony?**

3 A. The purpose of my testimony is to explain material variances between 2025
4 actual/estimated cost projections and original 2025 cost projections for environmental
5 compliance costs associated with FPSC-approved environmental programs under my
6 responsibility. These programs include the CAIR/CAMR Crystal River (“CR”)
7 Program (Project 7.4), Mercury and Air Toxics Standards (MATS) – Crystal River
8 (CR) 4&5 (Project 17), Mercury and Air Toxics Standards (“MATS”) - Anclote Gas
9 Conversion Project (Project 17.1), and Mercury & Air Toxics Standards (MATS) – CR
10 1&2 (Project 17.2).

11

12 **Q. Please explain the variance between actual/estimated O&M expenditures and the**
13 **original projections for O&M expenditures for the CAIR/CAMR CR-Energy**
14 **(Reagents) Program (Project 7.4) for the period January 2025 through December**
15 **2025?**

16 A. O&M expenditures for the CAIR/CAMR CR-Energy (Reagents) Program are
17 forecasted to be \$1,825,752 (22%) higher than originally forecasted.

18 This variance is attributable to a forecasted \$566K increase in Ammonia expense,
19 \$259K increase in Limestone expense and a \$1,090K forecasted increase for Hydrated
20 Lime expense, offset by a forecasted decrease of \$78K in Caustic expense and a
21 decrease in Gypsum Sales Credits of \$11K.

22

1 **Q. Please explain the variance between actual/estimated O&M expenditures and the**
2 **original projections for O&M expenditures for the Mercury & Air Toxic**
3 **Standards (MATS) CR4 & CR5 Program (Project 17) for the period January 2025**
4 **through December 2025?**

5 **A. O&M expenditures for the MATS CR4 & CR5 Program are forecasted to be \$55,293**
6 **(31%) higher than originally forecasted.**

7 This variance is primarily attributable to MATS testing performed on both units during
8 the Spring outage rather than testing being performed on one unit during the Spring
9 outage as originally planned.

10

11 **Q. Does this conclude your testimony?**

12 **A. Yes.**

1 (Whereupon, prefiled direct testimony of Wyatt
2 Grant was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

PATRICIA Q. WEST

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

March 31, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Patricia Q. West. My business address is 299 First Avenue North, St.
3 Petersburg, FL 33701.

4

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

6 A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as
7 Director Environmental Field Support – Florida.

8

9 **Q. What are your responsibilities in that position?**

10 A. My responsibilities include managing the work of environmental field
11 professionals who are responsible for environmental, technical, and regulatory
12 support during the development and implementation of environmental
13 compliance strategies for regulated power generation facilities and electrical
14 transmission and distribution facilities in Florida. This includes daily compliance
15 activities in support of operations.

1 **Q. Please describe your educational background and professional experience.**

2 A. I obtained my Bachelor of Arts degree in Biology from New College of the
3 University of South Florida in 1983. I was employed by the Polk County Health
4 Department between 1983 and 1986 and by the Florida Department of
5 Environmental Protection (“FDEP”) from 1986 - 1990. At the FDEP, I was
6 involved in compliance and enforcement efforts associated with petroleum
7 storage facilities. I joined Florida Power Corporation in 1990 as an
8 Environmental Project Manager and then held progressively more responsible
9 positions through the merger with Carolina Power and Light, and more recently
10 through the merger with Duke Energy in my role as the Director Environmental
11 Field Support – FL.

12
13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to explain material variances between actual and
15 actual/estimated project expenditures for environmental compliance costs
16 associated with FPSC-approved programs under my responsibility. These
17 programs include the T&D Substation Environmental Investigation, Remediation
18 and Pollution Prevention Program (Projects 1 & 1a), Distribution Environmental
19 Investigation, Remediation and Pollution Prevention Program (Project 2),
20 Pipeline Integrity Management (“PIM”) Program (Project 3), Above Ground
21 Storage Tanks (“AST”) Program (Project 4), Phase II Cooling Water Intake
22 316(b) Program (Project 6), CAIR/CAMR Continuous Mercury Monitoring
23 System (“CMMS”) Program (Projects 7.2 & 7.3), Best Available Retrofit

1 Technology (“BART”) Program (Project 7.5), National Emission Standards for
 2 Hazardous Air Pollutants (“NESHAP”) – Base (Project 7.6), Arsenic
 3 Groundwater Standard Program (Project 8), Sea Turtle – Coastal Street Lighting
 4 Program (Project 9), Underground Storage Tanks (“UST”) Program (Project 10),
 5 Modular Cooling Towers (Project 11), Thermal Discharge Permanent
 6 Compliance (Project 11.1), Greenhouse Gas Inventory and Reporting (Project
 7 12), Mercury Total Maximum Loads Monitoring (“TMDL”) (Project 13),
 8 Hazardous Air Pollutants (“HAPs”) Information Collection Request (“ICR”)
 9 (Project 14), Effluent Limitation Guidelines CRN (Project 15.1), National
 10 Pollutant Discharge Elimination System (“NPDES”) Program (Project 16),
 11 Reclaimed Water Interconnection (Project 19), Lead and Copper Rule (Project
 12 20), and Citrus Combined Cycle Water Treatment System (Project 21).

13
 14 **Q. How did actual O&M expenditures for January 2024 - December 2024**
 15 **compare with DEF’s actual/estimated projections for the Phase II Cooling**
 16 **Water Intake - 316(b) Project (Projects 6 & 6a)?**

17 A. The Phase II Cooling Water Intake - 316(b) (Projects 6 & 6a) O&M variance is
 18 47%, or \$181,349 lower than projected.

19 Project 6, Phase II Cooling Water Intake - 316(b) (Base) O&M variance is 18%,
 20 or \$41k lower than projected. This variance is primarily due to Crystal River's
 21 reduced runtimes which reduced the number of cleanings the intake screens
 22 required for the year.

1 Project 6a, Phase II Cooling Water Intake - 316(b) (Intermediate) O&M variance
2 is 89%, or \$140k lower than projected. This variance is primarily due to the delay
3 in permit issuance by the FDEP. Original projections assumed the permit would
4 be issued earlier in 2024.

5
6 **Q. How did actual Capital expenditures for January 2024 - December 2024**
7 **compare with DEF's actual/estimated projections for the Cooling Water**
8 **Intake - 316(b) Bartow Project (Project 6.1)?**

9 A. The Cooling Water Intake - 316(b) (Bartow) capital variance is 66% or \$323,864
10 lower than projected. This variance is predominantly due to a delay in the
11 selection of the intake screen vendor, which caused some delay in the evaluations
12 to determine the new organism return flume location. The location of the flume
13 was dependent on the selected screen vendor and technology, and detailed
14 engineering, including hydraulic analysis.

15
16 **Q. How did actual O&M expenditures for January 2024 - December 2024**
17 **compare with DEF's actual/estimated projections for the Arsenic**
18 **Groundwater Project (Project 8)?**

19 A. The Arsenic Groundwater Project (Project 8) O&M variance is 10% or \$2,351
20 higher than projected. This variance is primarily due to the need to address
21 FDEP's Office of General Counsel comments on the draft Declaration of
22 Restrictive Covenants ("DRC") that was submitted to the agency in 2024. The

1 comments required additional consultant labor and subcontractor expenses to
2 revise the draft DRC.

3

4 **Q. How did actual O&M expenditures for January 2024 - December 2024**
5 **compare with DEF's actual/estimated projections for the Lead and Copper**
6 **Rule (Project 20)?**

7 A. The Lead and Copper Rule (Project 20) O&M variance is 46% or \$13,774 lower
8 than projected. This variance is primarily due to eliminating the need for field
9 work.

10

11 **Q. How did actual Capital expenditures for January 2024 - December 2024**
12 **compare with DEF's actual/estimated projections for the CCC Water**
13 **Treatment System (Project 21)?**

14 A. The CCC Water Treatment System capital variance is 80% or \$1,450,034 lower
15 than projected. This variance is a timing issue predominantly due to delays in
16 obtaining, reviewing, and approving quotes for materials, as well as issuing the
17 contracts once the material vendors were selected.

18

19 **Q. In Order No. PSC-2010-0683-FOF-EI issued in Docket No. 20100007-EI on**
20 **November 15, 2010, the Commission directed DEF to file as part of its ECRC**
21 **true-up testimony a yearly review of the efficacy of its Plan D and the cost-**
22 **effectiveness of DEF's retrofit options for each generating unit in relation to**

1 **expected changes in environmental regulations. Has DEF conducted such a**
2 **review?**

3 A. Yes. DEF's yearly review of the Integrated Clean Air Compliance Plan is
4 provided as Exhibit No. (PQW-1).

5
6 **Q. What is the status of the Clean Water Rule?**

7 A. On June 29, 2015, the Environmental Protection Agency ("EPA") and the Army
8 Corps of Engineers ("Corps") published the final Clean Water Rule that
9 significantly expanded the definition of the Waters of the United States
10 ("WOTUS"). On October 9, 2015, the U.S. Court of Appeals for the Sixth Circuit
11 granted a nationwide stay of the rule effective through the conclusion of the
12 judicial review process. On February 22, 2016 the Sixth Circuit issued an opinion
13 that it has jurisdiction and is the appropriate venue to hear the merits of legal
14 challenges to the rule; however, that decision was contested, and on January 22,
15 2018, the U.S. Supreme Court issued its decision stating federal district courts,
16 instead of federal appellate courts, have jurisdiction over challenges to the rule
17 defining waters of the United States Consistent with the U.S. Supreme Court
18 decision, the U.S. Court of Appeals for the Sixth Circuit lifted its nationwide stay
19 on February 28, 2018. The stay issued by the North Dakota District Court remains
20 in effect, but only within the thirteen counties within the North Dakota
21 District. On February 28, 2017, President Trump signed an executive order laying
22 out a new policy direction for how "Waters of the United States" should be
23 defined and directing the EPA and the Corps to initiate a rulemaking to either

1 rescind or revise the 2015 Clean Water Rule developed by the Obama
2 administration. Subsequently, the EPA Administrator signed a pre-publication
3 notice reflecting the intent to move forward with rulemaking in response to this
4 directive. In addition, the executive order seeks to have the Department of Justice
5 determine the path forward on the Clean Water Rule litigation as a result of the
6 new policy direction.

7

8 On January 31, 2018, the EPA and Corps announced a final rule adding an
9 applicability date to the 2015 rule defining “Waters of the United States,” thereby
10 deferring implementation of the 2015 WOTUS Rule until early 2020. This rule
11 has no immediate impact to Duke Energy, and the agencies will continue to apply
12 the pre-existing WOTUS definition in place prior to the 2015 rule until 2020.

13

14 On February 14, 2019, the EPA and the Corps published in the Federal Register,
15 the “Revised Definition of ‘Waters of the United States,’” which proposed to
16 narrow the extent of the Clean Water Act jurisdiction as compared to the 2015
17 definition adopted by the Obama Administration (Proposed Rule). On January
18 23, 2020, the EPA and the Corps released a pre-publication version of *The*
19 *Navigable Waters Protection Rule: Definition of “Waters of the United States.”*
20 *(NWPR Rule)*. On April 21, 2020, the EPA and the Corps published the modified
21 definition of the WOTUS in the Federal Register. DEF has reviewed the final
22 rule and determined there are no impacts associated with the 2020 WOTUS Rule
23 with respect to the operation of our existing generation facilities.

1 On January 20, 2021, through Executive Order 13990, the Biden Administration
2 directed the EPA and the Corps to review the NWPR Rule. The US District Court
3 for the District of Arizona vacated and remanded the NWPR Rule on August 30,
4 2021, which vacated and remanded the rule nationwide. The EPA and the Corps
5 announced on September 3, 2021, that efforts to implement the NWPR Rule had
6 ceased and on December 7, 2021, the EPA published a proposed rule to officially
7 repeal the NWPR Rule and replace it with the 1986 WOTUS rule. The public
8 comment period for this proposed rule closed on February 7, 2022. On January
9 18, 2023, the EPA and Corps published in the Federal Register the final rule
10 revising the definition of “Waters of the United States” (the “WOTUS Final
11 Rule”). The WOTUS Final Rule sets forth which surface waters and wetlands are
12 jurisdictional for section 404 wetland permitting, NPDES, and other Clean Water
13 Act (“CWA”) regulatory programs. The WOTUS Final Rule became effective on
14 March 20, 2023.

15
16 On May 25, 2023, the U.S. Supreme Court (the Court) unanimously rejected the
17 significant nexus test as a basis for determining whether “adjacent” wetlands are
18 considered waters of the United States (WOTUS). On June 26, 2023, EPA
19 announced that they and the Corps would promulgate a new WOTUS rule based
20 on the Court’s decision. This final rule was published on September 8, 2023, was
21 effective immediately and amended the previous 2023 definition of WOTUS. As
22 a result of ongoing litigation on the January 2023 rule, the agencies are
23 implementing the January 2023 rule. In Florida the agencies are interpreting

1 WOTUS consistent with the pre-2015 definition and the Court's decision until
2 further notice. The Corps reconfirmed this interpretation on their official website
3 on September 24, 2024.

4

5 DEF will continue to monitor the status of the rule and any proposed changes to
6 ascertain any further compliance steps that may be required.

7

8 **Q. Does this conclude your testimony?**

9 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

PATRICIA Q. WEST

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

July 28, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Patricia Q. West. My business address is 299 First Avenue North, St.
3 Petersburg, FL 33701.

4

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

6 A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as Director
7 Environmental Field Support – Florida.

8

9 **Q. Have you previously filed testimony before this Commission in Docket No.**
10 **20250007-EI?**

11 A. Yes, I provided direct testimony on March 31, 2025.

12

13 **Q. Has your job description, education, background, and professional experience**
14 **changed since that time?**

15 A. No.

16

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to explain material variances between 2025
3 actual/estimated cost projections and original 2025 cost projections for environmental
4 compliance costs associated with FPSC-approved programs under my responsibility.
5 These programs include the Substation Environmental Investigation, Remediation and
6 Pollution Prevention Program (Project 1 & 1a), Distribution System Environmental
7 Investigation, Remediation and Pollution Prevention Program (Project 2), Pipeline
8 Integrity Management (PIM) (Project 3), Above Ground Secondary Containment
9 (Project 4), Phase II Cooling Water Intake – 316(b) (Project 6), CAIR/CAMR - Peaking
10 (Project 7.2), Best Available Retrofit Technology (BART) (Project 7.5), Arsenic
11 Groundwater Standard (Project 8), Sea Turtle Coastal Street Lighting Program (Project
12 9), Underground Storage Tanks (Project 10), Modular Cooling Towers (Project 11),
13 Thermal Discharge Permanent Cooling Tower (Project 11.1), Greenhouse Gas
14 Inventory and Reporting (Project 12), Mercury Total Daily Maximum Loads
15 Monitoring (Project 13), Hazardous Air Pollutants Information Collection Request
16 (ICR) Program (Project 14), Effluent Limitation Guidelines Program (Project 15.1),
17 National Pollutant Discharge Elimination System (NPDES) (Project 16), Reclaimed
18 Water Interconnection (Project 19), Lead and Copper Rule (Project 20), and Citrus
19 Combined Cycle Water Treatment System (Project 21) for the period January 2025
20 through December 2025.

21

22 **Q. Please explain the variance between actual/estimated O&M project expenditures**
23 **and original projections for Phase II Cooling Water Intake 316(b) (Projects 6a)**
24 **for the period January 2025 through December 2025.**

1 A. Project 6a, 316(b) – Intermediate is forecasted to be \$130,823 (35%) lower than
2 originally forecasted. This variance is primarily due to a permit issuance delay in 2024
3 and the subsequent need for FDEP’s approval of the Plan of Study in late 2024. In
4 addition, a unit outage and completion of logistics to support the sampling equipment
5 resulted in the project commencement date being delayed until April 2025. Consultant
6 costs to help prepare the Plan of Study were also less than originally expected.

7
8 **Q. Please explain the variance between actual/estimated Capital project expenditures**
9 **and original projections for Phase II Cooling Water Intake 316(b) – Base -**
10 **Bartow, (Project 6.1) for the period January 2025 through December 2025.**

11 A. Capital expenditures for Phase II Cooling Water Intake 316(b) Base – Bartow, are
12 forecasted to be \$2,077,748 (216%) greater than originally forecasted. This variance is
13 primarily due to the change in scope. When the original engineering bid package was
14 developed, assumptions were made regarding engineering scope and design. Once the
15 hydraulic study was completed, discharge location identified and equipment
16 manufacturer selected, the engineering scope had to be expanded to include changes in
17 electrical, civil, platform design, demolition plan, staged demolition plan and
18 installations, and relocation of existing piping.

19
20 **Q. Please explain the variance between actual/estimated O&M project expenditures**
21 **and original projections for Arsenic Groundwater Standard - Base (Project 8) for**
22 **the period January 2025 through December 2025.**

23 A. O&M expenditures for Arsenic Groundwater Standard - Base are forecasted to be
24 \$49,016 (85%) lower than forecasted. The variance is primarily due to postponing the

abandonment of the project's groundwater wells until after 2026 so they can be evaluated for future use under other regulatory programs.

Q. Please explain the variance between actual/estimated O&M project expenditures and original projections for the National Pollutant Discharge Elimination System ("NPDES") Project 16 for the period January 2025 through December 2025.

A. O&M expenditures for NPDES are expected to be \$58,681 (31%) less than forecasted. This work began in May 2025 and is expected to continue into September 2025, with submittal of the study results to FDEP expected in December. Original estimates provided for the total cost of the project in 2025. However, the project will extend into 2026.

Q. Please explain the variance between actual/estimated Capital project expenditures and original projections for Reclaimed Water Interconnection, (Project 19) for the period January 2025 through December 2025.

A. Capital expenditures for Reclaimed Water Interconnection (Project 19) are forecasted to be \$882,804 (59.5%) lower than originally forecasted. The primary reason for this is due to project delays that began in 2024 and continued into 2025. These delays were due to the extended period of time necessary to secure subject matter expert support to review detailed technology options and ultimately determine the most suitable treatment option for this specific application.

Q. Please provide an update of the Reclaimed Water Interconnection (Project 19).

1 A. The Duke Energy DeBary Reclaimed Project is ongoing. Engineering evaluations are
2 complete, and treatment design is nearly complete. Initial evaluations in 2023 identified
3 reverse osmosis as the option for treatment; however in 2024 the project engineering
4 team evaluated additional treatment options for a cartridge filter system or installation
5 of an ultrafiltration system. It was determined that the cartridge filter upgrade would
6 be the best option. The project is expected to commence this summer, with a proposed
7 in-service date of May 2027.

8

9 **Q. Please explain the variance between actual/estimated O&M project expenditures**
10 **and original projections for Citrus Combined Cycle (CCC) Water Treatment**
11 **System (Project 21) for the period January 2025 through December 2025.**

12 A. O&M expenditures for the Citrus Combined Cycle (CCC) Water Treatment System
13 (Project 21) are expected to be \$37,500 (100%) lower than originally forecasted due to
14 the delay of engineering evaluations and construction. The anticipated in-service date
15 has shifted from January 2026 to January 2028, as discussed below.

16

17 **Q. Please explain the variance between actual/estimated Capital project expenditures**
18 **and original projections for Citrus Combined Cycle (CCC) Water Treatment**
19 **System (Project 21), for the period January 2025 through December 2025.**

20 A. Capital expenditures for CCC Water Treatment System are forecasted to be \$1,607,745
21 (146.2%) higher than projected in 2025. This variance is primarily attributed to
22 engineering evaluations that were originally scheduled for completion in 2024 and were
23 pushed into 2025. Due to delays in completing the final design, and procurement and
24 supply chain issues, construction of the treatment system is expected to begin in

1 September 2025 with an estimated completion of construction date of April 2026. The
2 Florida Department of Environmental Protection has approved this change in schedule
3 with a new compliance date of January 10, 2028.

4

5 **Q. Does this conclude your testimony?**

6 **A. Yes.**

7

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

PATRICIA Q. WEST

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20250007-EI

August 25, 2025

1 **Q. Please state your name and business address.**

2 A. My name is Patricia Q. West. My business address is 299 First Avenue North, St.
3 Petersburg, FL 33701.

4

5 **Q. Have you previously filed testimony before this Commission in Docket No.**
6 **20250007-EI?**

7 A. Yes. I provided direct testimony on March 31, 2025, and July 28, 2025.

8

9 **Q. Has your job description, education, background, or professional experience**
10 **changed since that time?**

11 A. No.

12

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to provide estimates of the costs that will be
15 incurred in 2026 for Duke Energy Florida, LLC's ("DEF" or "Company")
16 Substation Environmental Investigation, Remediation and Pollution Prevention

1 Program (Projects 1 & 1a), Distribution Environmental Investigation,
 2 Remediation and Pollution Prevention Program (Project 2), Pipeline Integrity
 3 Management (“PIM”) Program (Project 3), Above Ground Storage Tanks
 4 (“AST”) Program (Project 4), Phase II Cooling Water Intake 316(b) Program
 5 (Project 6), CAIR/CAMR Continuous Mercury Monitoring System (“CMMS”)
 6 Program (Projects 7.2 & 7.3), Best Available Retrofit Technology (“BART”)
 7 Program (Project 7.5), National Emission Standards for Hazardous Air Pollutants
 8 (NESHAP – Base (Project 7.6), Arsenic Groundwater Standard Program (Project
 9 8), Sea Turtle – Coastal Street Lighting Program (Project 9), Underground Storage
 10 Tanks (“UST”) Program (Project 10), Modular Cooling Towers (Project 11),
 11 Thermal Discharge Permanent Compliance (Project 11.1), Greenhouse Gas
 12 Inventory and Reporting (Project 12), Mercury Total Maximum Loads
 13 Monitoring (“TMDL”) (Project 13), Hazardous Air Pollutants (“HAPs”)
 14 Information Collection Request (“ICR”) (Project 14), Effluent Limitation
 15 Guidelines CRN (Project 15.1), National Pollutant Discharge Elimination System
 16 (“NPDES”) Program (Project 16), Reclaimed Water Interconnection (Project 19),
 17 Lead and Copper Rule (Project 20), and Citrus Combined Cycle Water Treatment
 18 System (Project 21).

19

20 **Q. Have you prepared or caused to be prepared under your direction,**
 21 **supervision or control any exhibits in this proceeding?**

22 **A.** Yes. I am co-sponsoring the following portions of Exhibit No. (GPD-3) to Gary
 23 P. Dean’s direct testimony:

- 1 • 42-5P page 1 of 26 – Substation Environmental Investigation,
- 2 Remediation and Pollution Prevention Program
- 3 • 42-5P page 2 of 26 - Distribution System Environmental Investigation,
- 4 Remediation and Pollution Prevention Program
- 5 • 42-5P page 3 of 26 – PIM
- 6 • 42-5P page 4 of 26 - AST
- 7 • 42-5P page 6 of 26 - Phase II Cooling Water Intake
- 8 • 42-5P page 7 of 26 – Clean Air Interstate Rule (“CAIR”)
- 9 • 42-5P page 8 of 26 – BART
- 10 • 42-5P page 9 of 26 - Arsenic Groundwater Standard
- 11 • 42-5P page 10 of 26 – Sea Turtle – Coastal Street Lighting Program
- 12 • 42-5P page 11 of 26 - UST
- 13 • 42-5P page 12 of 26 - Modular Cooling Towers
- 14 • 42-5P page 13 of 26 - Thermal Discharge Permanent Cooling Tower
- 15 • 42-5P page 14 of 26 - Greenhouse Gas Inventory and Reporting
- 16 • 42-5P page 15 of 26 - Mercury TMDL
- 17 • 42-5P page 16 of 26 - HAPs ICR
- 18 • 42-5P page 17 of 26 - Effluent Limitation Guidelines ICR Program
- 19 • 42-5P page 18 of 25 - Effluent Limitation Guidelines CRN Program
- 20 • 42-5P page 19 of 26 – NPDES
- 21 • 42-5P Page 24 of 26 – Reclaimed Water Interconnection
- 22 • 42-5P Page 25 of 26 – Lead and Copper Rule
- 23 • 42-5P Page 26 of 26 – Citrus Combined Cycle Water Treatment System

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. What O&M costs does DEF expect to incur in 2026 for the Phase II Cooling Water Intake 316(b) Program (Projects 6 and 6a)?

A. DEF is forecasting a total of \$649k in O&M costs for the Phase II Cooling Water Intake Program 316(b) projects in 2026.

DEF estimates approximately \$242k of O&M for Crystal River North, Project 6 - Base, for the routine inspection and cleaning of the 316(b) compliant screens.

DEF estimates approximately \$407k of O&M costs for the Anclote Station, Project 6a – Intermediate, for the continuation of consultant support to conduct the impingement mortality study as required by the NPDES permit.

Q. What Capital costs does DEF expect to incur in 2026 for the Phase II Cooling Water Intake 316(b) Program for Bartow CC station (Project 6.1)?

A. DEF estimates approximately \$6.6M of capital costs in 2026 for Bartow station 316(b) (Project 6.1). These costs are associated with the construction, installation, and material cost of the discharge trough as part of the fish return system.

Q. What costs does DEF expect to incur in 2026 for the National Emission Standards for Hazardous Air Pollutants (“NESHAP”) – Base (Project 7.6)?

A. DEF is forecasting \$24k in O&M costs for the NESHAP project in 2026 for annual compliance testing at Citrus Combined Cycle Station (“CCC”). DEF is required to conduct annual air emissions compliance tests to demonstrate continued compliance with the formaldehyde limit.

1 **Q. What costs does DEF expect to incur in 2026 for the Arsenic Groundwater**
2 **Standard Program (Project 8)?**

3 A. DEF forecasts 2026 O&M expenditures to be \$48k. Anticipated costs are
4 associated with maintenance of the soils cap (engineering control) installed in the
5 former north ash pond, institutional controls checklist and abandonment of
6 monitoring wells and plan of study wells.

7
8 **Q. What costs does DEF expect to incur in 2026 for the NPDES Program**
9 **(Project No. 16)?**

10 A. DEF estimates \$43k of O&M costs for NPDES Program. This includes \$40k for
11 Whole Effluent Toxicity (“WET”) testing as required at DEF stations with
12 NPDES permits. It also includes \$3k for consultant support in responding to
13 agency feedback regarding the thermal study report that is anticipated to be
14 submitted to the agency in December 2025.

15
16 **Q. What costs does DEF expect to incur in 2026 for the Reclaimed Water**
17 **Interconnection Program (Project No. 19)?**

18 A. DEF estimates \$2.2M of Capital costs for the for the engineering, materials, and
19 construction of the new treatment system and associated piping. DEF estimates
20 \$60k of O&M costs for ongoing maintenance after the treatment system is fully
21 operational.

22
23 **Q. What costs does DEF expect to incur in 2026 for the Citrus Combined Cycle**
24 **Water Treatment System Program (Project No. 21)?**

1 A. DEF is forecasting \$285k of Capital costs for material purchases, and construction
2 of the treatment skid. DEF estimates \$51k in O&M costs for operation of the
3 treatment system, including general maintenance costs of the treatment system
4 after it has been fully commissioned.

5

6 **Q. Does this conclude your testimony?**

7 A. Yes.

1 (Whereupon, prefiled direct testimony of Zel
2 D. Jones-Phillips was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

ZEL D. JONES

Q. Please state your name, address, occupation, and employer.

A. My name is Zel D. Jones. My business address is 702 N. Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "Company") in the position of Manager, Rates in the Regulatory Affairs department.

Q. Please provide a brief outline of your educational background and business experience.

A. I received a Bachelor of Science degree in Civil Engineering with a concentration in Environmental Science from Tennessee State University in 2000, and I received a Master of Business degree from City University of Seattle in 2006. I joined Tampa Electric in 2011 as the Environmental and Water Systems Engineer at the Big Bend Power Station in Apollo Beach, Florida. In December 2019, I joined the Outage & Project Management ("O&PM") Department as a Project Engineer. I became a Project

1 Manager within the same department in 2020 and managed
2 capital projects for Big Bend and Bayside Power Stations.
3 In 2022, I became the Capital Program Lead at Bayside
4 Power Station - overseeing the capital program budget. I
5 joined the Regulatory Affairs Department in October 2023
6 as a Manager, Rates. My current duties entail managing
7 cost recovery for fuel and purchased power, interchange
8 sales, capacity payments, and approved environmental
9 projects. I have over 13 years of electric utility
10 experience in the area of power plant operations,
11 operational environmental compliance (including
12 development and execution of approved Environmental
13 Clause Recovery Clause projects), and large capital
14 project and program management.

15
16 **Q.** What is the purpose of your testimony in this proceeding?

17
18 **A.** The purpose of my testimony is to present for Commission
19 review and approval the actual true-up amount for the
20 Environmental Cost Recovery Clause ("Environmental Clause")
21 and the calculations associated with the environmental
22 compliance activities for the period January 2024 through
23 December 2024.

24
25 **Q.** Did you prepare any exhibits in support of your testimony?

- 1 **A.** Yes. Exhibit No. ZDJ-1 consists of nine documents prepared
2 under my direction and supervision.
- 3 ▪ Form 42-1A, Document No. 1, provides the final true-
4 up for the January 2024 through December 2024 period;
 - 5 ▪ Form 42-2A, Document No. 2, provides the detailed
6 calculation of the actual true-up for the period;
 - 7 ▪ Form 42-3A, Document No. 3, shows the interest
8 provision calculation for the period;
 - 9 ▪ Form 42-4A, Document No. 4, provides the variances
10 between actual and actual/estimated costs for O&M
11 activities;
 - 12 ▪ Form 42-5A, Document No. 5, provides a summary of
13 actual monthly O&M activity costs for the period;
 - 14 ▪ Form 42-6A, Document No. 6, provides the variances
15 between actual and actual/estimated costs for capital
16 investment projects;
 - 17 ▪ Form 42-7A, Document No. 7, presents a summary of
18 actual monthly costs for capital investment projects
19 for the period;
 - 20 ▪ Form 42-8A, Document No. 8, pages 1 through 19,
21 illustrates the calculation of depreciation expense
22 and return on capital investment for each project
23 recovered through the Environmental Clause;
 - 24 ▪ Form 42-9A, Document No. 9, details Tampa Electric's
25 revenue requirement rate of return for capital

1 projects recovered through the Environmental Clause.

2

3 Q. What is the source of the data presented in your testimony
4 and exhibits?

5

6 A. Unless otherwise indicated, the actual data is taken from
7 the books and records of Tampa Electric. The books and
8 records are kept in the regular course of business in
9 accordance with generally accepted accounting principles
10 and practices, and provisions of the Uniform System of
11 Accounts as prescribed by this Commission.

12

13 Q. What is the final true-up amount for the Environmental
14 Clause for the period January 2024 through December 2024?

15

16 A. The final true-up amount for the Environmental Clause for
17 the period January 2024 through December 2024 is an over-
18 recovery of \$2,597,551. The actual environmental cost over-
19 recovery, including interest, is \$5,895,183 for the period
20 January 2024 through December 2024, as identified in Form
21 42-1A. This amount, less the \$3,297,632 over-recovery
22 approved in Commission Order No. PSC-2024-0482-FOF-EI,
23 issued November 22, 2024, in Docket No. 20240007-EI,
24 results in a final over-recovery of \$2,597,551, as shown on
25 Form 42-1A. This over-recovery amount will be applied in

1 the calculation of the environmental cost recovery factors
2 for the period January 2026 through December 2026.

3
4 **Q.** Are all costs listed in Forms 42-4A through 42-8A incurred
5 for environmental compliance projects approved by the
6 Commission?

7
8 **A.** Yes. All costs listed in Forms 42-4A through 42-8A for which
9 Tampa Electric is seeking recovery are incurred for
10 environmental compliance projects approved by the
11 Commission.

12
13 **Q.** Did Tampa Electric include activity in its 2024 final
14 Environmental Clause true-up filing for any new
15 environmental projects that were not anticipated and
16 included in its 2024 factors?

17
18 **A.** No, Tampa Electric did not include any activity in its 2024
19 final Environmental Clause true-up filing for any new
20 environmental projects that were not anticipated and
21 included in its 2024 factors.

22
23 **Q.** Did Tampa Electric have any adjustments to the total actual
24 amount of environmental costs?

1 **A.** Yes. Tampa Electric made an adjustment of \$1,145,254
2 reflected in December 2024. As required by Order No. PSC-
3 2024-0190-FOF-EI, issued on June 13, 2024, in Docket No.
4 20230019-EI, Tampa Electric is refunding the storm
5 restoration surcharge over-recovery through the
6 Environmental Cost Recovery Clause ("ECRC"). This
7 adjustment represents the refund of the \$1,145,254 storm
8 restoration surcharge over-recovery. Tampa Electric also
9 included the revenues from the sale of Tampa Electric's
10 Renewable Energy Certificates ("RECs") in 2024. These
11 revenues are outlined on Document Nos. Form 42-4A and 42-
12 5A. Tampa Electric sells its RECs in the voluntary market
13 and the revenues associated with the REC sales flow back to
14 the customers through the ECRC. The revenues associated
15 with RECs for the period of January 2024 through December
16 2024 is \$4,020,461.

17
18 **Q.** How do actual expenditures for the period January 2024
19 through December 2024 compare with Tampa Electric's
20 actual/estimated projections as presented in previous
21 testimony and exhibits?

22
23 **A.** As shown on Form 42-4A, total costs for O&M activities are
24 \$1,129,528, or 223.0 percent greater than the
25 actual/estimated projection costs. Form 42-6A shows the

total capital investment costs are \$25,853, or 0.1 percent less than the actual/estimated projection costs. Additional information regarding substantial variances is provided below.

O&M Project Variances

O&M expense projections related to planned maintenance work are typically spread across the period in question. However, the company always inspects the units to ensure that maintenance is needed before beginning the work. The need varies according to the actual usage and associated "wear and tear" on the units. If an inspection indicates that the maintenance is not yet needed or if additional work is needed, then the company will have a variance when actual amounts expended are compared to the projection. When inspections indicate that work is not needed now, then maintenance expense will be incurred in a future period when warranted by the condition of the unit.

- **Big Bend PM Minimization and Monitoring:** The Big Bend Minimization and Monitoring project variance is \$113,437, or 67.1 percent less than projected. Tampa Electric's PM CEMs maintenance contractor incorrectly billed the company in 2022 and 2023. The overpayments were refunded in 2024, resulting in the variance.

1 Additionally, the new equipment installed required
2 less maintenance or part replacements.

3
4 ▪ **Bayside SCR Consumables:** The Bayside SCR Consumables
5 project variance is \$36,237, or 17.2 percent less than
6 projected. The variance is due to Bayside Unit 2
7 experiencing a forced outage that began in October
8 2024, reducing the amount of ammonia used for SCR
9 operations.

10
11 ▪ **Arsenic Groundwater Standard Program:** The Arsenic
12 Groundwater Standard program has a credit balance of
13 \$453. This generates a variance of 100 percent greater
14 than projected. The credit is due to the duplicate
15 processing of an invoice in 2020 which was discovered
16 and reversed in 2024 bringing the net impact to \$0.

17
18 ▪ **Big Bend Unit 4 SCR:** The Big Bend Unit 4 SCR project
19 variance is \$623,399, or 35.5 percent less than
20 projected. The variance is due to less coal being
21 utilized than originally projected, requiring less
22 maintenance and cleanings.

23
24 ▪ **Greenhouse Gas Reduction Program:** The Greenhouse Gas
25 Reduction Program variance is \$8,638, or 45.5 percent

1 less than projected. The variance is due to delays in
2 invoice receipt from the third-party software program
3 vendor. There were December 2024 invoices that were
4 posted and processed in January 2025 for the third-
5 party software program vendor's maintenance fees and
6 will be reflected in the upcoming Actual/Estimate
7 Projection filing.

8
9 **▪ Big Bend Gypsum Storage Facility:** The Big Bend Gypsum
10 Storage Facility project variance is \$74,543, or 41.0
11 percent less than projected. The variance is due to
12 less facility yard maintenance being required as
13 generation by coal was less than projected - driving
14 the reduction of contractor manpower required to
15 monitor and haul materials.

16
17 **▪ Big Bend ELG Compliance:** The Big Bend ELG Compliance
18 project variance is \$237,285, or 39.5 percent greater
19 than projected. The variance is due to substantial
20 rainfall and storm surge flooding caused by Hurricane
21 Milton in early October 2024. This hurricane event
22 contributed to high levels of water and solids in the
23 ponds due to solids being washed into plant storm
24 drains and sumps. This led to additional filter
25 purchases for the water filtration equipment. The

1 water filtration equipment and pump system also
2 required additional equipment maintenance due to the
3 equipment working to filter and pump storm surge and
4 hurricane level rainwater.

- 5
- 6 ■ **Big Bend Unit 1 Sec. 316(b) Impingement Mortality:** The
7 Big Bend Unit 1 Sec. 316(b) Impingement Mortality
8 project variance is \$120,000, or 100 percent less than
9 projected. The variance is due to less system
10 maintenance required as all of the equipment has been
11 in service since Fall 2022. The maintenance expense
12 forecast has been adjusted to reflect the Original
13 Equipment Manufacturer ("OEM") recommendations, which
14 is based on equipment operating hours.

- 15
- 16 ■ **Big Bend NESHAP Subpart YYYY Compliance:** The Big Bend
17 NESHAP Subpart YYYY Compliance program variance is
18 \$2,823, or 8.3 percent less than projected. The
19 variance is due to the cost of the formaldehyde test
20 bottles being less than expected.

- 21
- 22 ■ **Renewable Energy Credits:** The Renewable Energy Credit
23 variance is \$387,284, or 10.7 percent more than
24 projected. The variance is due to both the REC sales
25 volume and price were higher than forecasted.

1 There were no significant cost variances related to capital
2 investment projects.

3

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

5

6 **A.** Yes, it does.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

TAMPA ELECTRIC COMPANY
DOCKET NO. 20250007-EI
FILED: 07/28/2025

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

ZEL D. JONES

Q. Please state your name, address, occupation, and employer.

A. My name is Zel D. Jones. My business address is 702 North Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "company") in the position of Manager, Rates in the Regulatory Affairs department.

Q. Please provide a brief outline of your educational background and business experience.

A. I received a Bachelor of Science degree in Civil Engineering with a concentration in Environmental Science from Tennessee State University in 2000, and I received a Master of Business degree from City University of Seattle in 2006. I joined Tampa Electric in 2011 as the Environmental and Water Systems Engineer at the Big Bend Power Station. In December 2019, I joined the Outage & Project Management ("O&PM") Department as a Project Engineer. I became a

1 Project Manager within the same department in 2020 and
2 managed capital projects for Big Bend and Bayside Power
3 Stations. In 2022, I became the Capital Program Lead at
4 Bayside Power Station - overseeing the capital program
5 budget. I joined the Regulatory Affairs Department in
6 October 2023 as a Manager, Rates. My current duties entail
7 managing cost recovery for fuel and purchased power,
8 interchange sales, capacity payments, and approved
9 environmental projects. I have over 14 years of electric
10 utility experience in power plant operations, operational
11 environmental compliance, including development and
12 execution of approved Environmental Clause Recovery Clause
13 ("ECRC") projects), and large capital project and program
14 management.

15
16 **Q.** What is the purpose of your direct testimony?
17

18 **A.** The purpose of my testimony is to present, for Commission
19 review and approval, the calculation of the January 2025
20 through December 2025 actual/estimated true-up amount to
21 be refunded through the ECRC during the period January
22 2026 through December 2026. My testimony addresses the
23 recovery of capital and operations and maintenance
24 ("O&M") costs associated with environmental compliance
25 activities for 2025, based on six months of actual data

1 and six months of estimated data. This information will
2 be used in the determination of the environmental cost
3 recovery factors for January 2026 through December 2026.
4

5 **Q.** Have you prepared an exhibit that shows the recoverable
6 environmental costs for the actual/estimated period of
7 January 2025 through December 2025?
8

9 **A.** Yes, Exhibit No. ZDJ-2 was prepared under my direction
10 and supervision. Document No. 1 contains nine schedules,
11 Forms 42-1E through 42-9E, which show the current period
12 actual/estimated true-up amount to be used in calculating
13 the cost recovery factors for January 2026 through
14 December 2026.
15

16 **Q.** What has Tampa Electric calculated as the
17 actual/estimated true-up for the current period to be
18 applied during the period January 2026 through December
19 2026?
20

21 **A.** The actual/estimated true-up applicable for the current
22 period, January 2025 through December 2025, is an over-
23 recovery of \$467,965. A detailed calculation supporting
24 the true-up amount is shown on Forms 42-1E through 42-9E
25 of my exhibit.

1 **Q.** Is Tampa Electric including costs in the actual/estimated
2 true-up filing for any new environmental projects that
3 were not anticipated and included in its 2025 ECRC
4 factors?

5
6 **A.** No. Tampa Electric is not including costs for any new
7 environmental projects that were not anticipated or
8 included in its 2025 factors.

9
10 **Q.** What depreciation rates were utilized for the capital
11 projects contained in the 2025 actual/estimated true-up?

12
13 **A.** Tampa Electric utilized the depreciation rates approved
14 in Order No. PSC-2025-0038-FOF-EI, issued on February 3,
15 2025, in Docket No. 20230139-EI.

16
17 **Q.** What capital structure components and cost rates did Tampa
18 Electric rely on to calculate the revenue requirement rate
19 of return for January 2025 through December 2025?

20
21 **A.** Tampa Electric's revenue requirements rate of return for
22 January 2025 through December 2025 is calculated based on
23 the capital structure components and current period cost
24 rates as approved in Order No. PSC-2025-0038-FOF-EI,
25 issued on February 3, 2025, in Docket No. 20240026-EI.

1 The calculation of the revenue requirement rate of return
2 is shown on Form 42-9E.

3
4 **Q.** How did the actual/estimated project expenditures for the
5 January 2025 through December 2025 period compare with the
6 company's projections?

7
8 **A.** As shown on Form 42-4E, the total O&M costs are projected
9 to be \$227,393, or 11.8 percent greater than projected.
10 The total capital expenditures itemized on Form 42-6E,
11 are projected to be \$220,061, or 0.9 percent greater than
12 projected. Additional information regarding substantial
13 variances are provided below.

14
15 **O&M Project Variances**

16 O&M expense projections related to planned maintenance
17 work are typically spread across the period in question.
18 However, the company always inspects the units to ensure
19 that maintenance is needed, before beginning work. The
20 need varies according to the actual usage and associated
21 "wear and tear" on the units. If inspection indicates
22 that the maintenance is not yet needed or if additional
23 work is needed, then the company will have a variance
24 compared to the projection. When inspections indicate
25 that work is not needed now; that maintenance expense

1 will be incurred in a future period when warranted by the
2 condition of the unit.

- 3
- 4 • **SO₂ Emissions Allowances:** The SO₂ Emissions Allowances
5 project variance is estimated to be \$29, or 63.5 percent
6 less than projected due to fewer cogeneration purchases
7 and lower SO₂ emission allowances than projected and an
8 SO₂ emission allowance gain booked in April 2025.
9
 - 10 • **Big Bend PM Minimization & Monitoring:** The Big Bend PM
11 Minimization & Monitoring project variance is estimated
12 to be \$290,577, or 90.4 percent less than projected. The
13 variance is due to past over payments for the Continuous
14 Emissions Monitors ("CEMs") maintenance contract. The
15 contract was updated for 2024-2025 and the overpayments
16 were applied to services rendered over that two-year
17 period.
18
 - 19 • **Bayside SCR Consumables:** The Bayside Selective Catalytic
20 Reduction ("SCR") Consumables variance is \$64,182, or
21 20.5 percent less than projected. The variance is due to
22 an extended forced outage on Unit 2 Steam Turbine ("ST")
23 and Combustion Turbine ("CT") that is scheduled to end
24 August 2025. The extended forced outage reduced the need
25 for consumables.

- 1 • **Big Bend Unit 4 SCR:** The Big Bend Unit 4 SCR project
2 variance is \$80,890, or 10.1 percent greater than
3 projected. The variance is due to cleaning of the
4 Selective Catalytic Reduction ("SCR") equipment during a
5 planned maintenance outage.
6
- 7 • **Greenhouse Gas Reduction Program:** The Greenhouse Gas
8 Reduction Program variance is \$3,764, or 14.6 percent less
9 than projected. The variance is due to the timing of the
10 scheduled quarterly invoices, with an overpayment earlier
11 in the year. The current variance should be resolved when
12 the remaining invoices are paid later in the year.
13
- 14 • **Big Bend Gypsum Storage Facility:** The Big Bend Gypsum
15 Storage Facility project variance is \$25,726, or 10.4
16 percent less than projected. The variance is due to less
17 facility yard maintenance being required as a result of
18 less coal generation in the earlier part of the year.
19
- 20 • **Big Bend ELG Compliance:** The Big Bend Effluent Limitation
21 Guidelines ("ELG") Compliance project variance is
22 \$318,049, or 39.8 percent less than projected. The
23 variance is due to the Underground Injection Control
24 ("UIC") well system not operating earlier this year. The
25 UIC well receives stormwater and recycled water from the

Plant's runoff, ditches, and ponds to maintain pond levels at the Plant. Due to reduced rainfall, the UIC was not needed to prevent the pond from overflowing.

- **Big Bend Unit 1 316(b) Impingement Mortality:** The Big Bend Unit 1 316(b) Impingement Mortality project variance is \$62,500, or 50.0 percent less than projected. The variance is due to a required outage being moved to a later date and the spend will occur during the third and fourth quarter of 2025.

- **Bayside 316(b) Compliance:** The Bayside 316(b) Compliance project variance is \$186,332, or 33.9 percent less than projected. The variance is due to optimization study activities occurring in the second half of 2025.

Big Bend NESHAP Subpart YYYY Compliance: The Big Bend NESHAP Subpart YYYY Compliance project variance is \$10,300, or 66.7 percent less than projected. The variance is due to less testing required. Tampa Electric will perform the testing during the second half of the year.

- **Renewable Energy Credits:** The net revenue from the sale of Renewable Energy Credits ("RECs") creates a variance of \$716,647, or 13.5 percent less than projected. The

1 variance is due to REC prices being less than originally
2 projected.

- 3
- 4 • **Bayside 316(a) Thermal Variance Study:** The Bayside 316(a)
5 Thermal Variance Study variance is \$62,500, or 45.5
6 percent less than projected. The variance is due to the
7 thermal study activities occurring in the second half of
8 2025.

9

10 **Capital Project Variances**

- 11 • **Big Bend PM Minimization and Monitoring:** The Big Bend PM
12 Minimization and Monitoring project variance is \$33,842,
13 or 147.0 percent greater than projected. The variance is
14 due to new PM CEMS equipment on Unit 4 that was installed
15 and is scheduled to be placed in-service July 2025.
- 16
- 17 • **Bayside 316(b) Compliance:** The Bayside 316(b) Compliance
18 project variance is \$117,531, or 5.4 percent greater than
19 projected. The variance is related to the accounts
20 utilized to estimate depreciation rates provided a lower
21 estimate than the actual depreciation rate calculated for
22 the period of January 2025 to December 2025.

23

24 Q. Does this conclude your direct testimony?

25

1 **A.** Yes, it does.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

ZEL D. JONES-PHILLIPS

Q. Please state your name, address, occupation, and employer.

A. My name is Zel D. Jones-Phillips. My business address is 3600 Midtown Drive, Tampa, Florida 33607. I am employed by Tampa Electric Company ("Tampa Electric" or "company") in the position of Manager, Rates in the Regulatory Affairs Department.

Q. Have you previously filed testimony in Docket No. 20250007-EI?

A. Yes, I submitted direct testimony on March 31, 2025, and July 28, 2025 under my maiden name. My new legal name is Zel D. Jones-Phillips.

Q. Has your job description, education, or professional experience changed since you last filed testimony?

A. No, it has not.

1 Q. What is the purpose of your testimony in this proceeding?

2
3 A. The purpose of my testimony is to present, for Commission
4 review and approval, the calculation of the revenue
5 requirements and the projected Environmental Cost
6 Recovery Clause ("ECRC") factors for the period of January
7 2026 through December 2026. Tampa Electric calculated the
8 projected ECRC factors based on the current allocation
9 methodology approved by the Florida Public Service
10 Commission in Order No. PSC-2025-0038-FOF-EI, issued on
11 February 3, 2025, in Docket No. 20240026-EI, shown in
12 Exhibit No. ZDJ-3. My testimony identifies the capital
13 and operating and maintenance ("O&M") costs associated
14 with environmental compliance activities for 2026 that
15 are included in the projected ECRC factors.

16
17 Q. Have you prepared any exhibits that show the determination
18 of recoverable environmental costs for the period of
19 January 2026 through December 2026?

20
21 A. Yes. This information is set out in Exhibit No. ZDJ-3,
22 which contains eight documents and were prepared under my
23 direction and supervision. Exhibit No. ZDJ-3, document
24 Nos. 1 through 8 contain Forms 42-1P through 42-8P, which
25 show the calculation and summary of the O&M and capital

1 expenditures that support the development of the
2 environmental cost recovery factors for 2026.

3
4 **Q.** Are you requesting Commission approval of the projected
5 environmental cost recovery factors for the company's
6 various rate schedules?

7
8 **A.** Yes. The company requests approval of the ECRC factors
9 provided in Exhibit No. ZDJ-3, Document No. 7, on Form
10 42-7P. The factors were prepared under my direction and
11 supervision. These annualized factors will apply for the
12 period January 2026 through December 2026.

13
14 **Q.** How were the environmental cost recovery clause factors
15 calculated?

16
17 **A.** Tampa Electric calculated the 2026 environmental cost
18 recovery factors detailed in Exhibit No. ZDJ-3 based on
19 the current approved cost allocation methodology and
20 equity ratio approved by the Commission in Docket No.
21 20240026-EI.

22
23 **Q.** What has Tampa Electric calculated as the net true-up to
24 be applied in the period January 2026 to December 2026?

1 **A.** The net true-up applicable for this period is an over-
2 recovery of \$3,065,516. This consists of a final true-up
3 over-recovery of \$2,597,551 for the period of January 2024
4 through December 2024 and an estimated true-up over-
5 recovery of \$467,965 for the current period of January
6 2025 through December 2025. The detailed calculation
7 supporting the estimated net true-up was provided on Forms
8 42-1E through 42-9E of Exhibit No. ZDJ-2 filed with the
9 Commission on July 28, 2025.

10
11 **Q.** Did Tampa Electric include any new environmental
12 compliance projects for ECRC cost recovery for the period
13 of January 2026 through December 2026?

14
15 **A.** Yes. Tampa Electric included costs for a new environmental
16 project, known as the Big Bend CCR Rule Legacy Amendment
17 Study, in its factors presented in this testimony. This
18 new project is described in the Direct Testimony of Byron
19 Burrows, presented in this filing.

20
21 **Q.** What are the capital projects included in the calculation
22 of the ECRC factors for 2026?

23
24 **A.** Tampa Electric proposes to include, for ECRC recovery,
25 costs for 19 previously approved capital projects in the

calculation of the 2026 ECRC factors. These projects are listed below.

- 1) Big Bend Unit 3 Flue Gas Desulfurization ("FGD") Integration
- 2) Big Bend Unit 4 Continuous Emissions Monitors ("CEMs")
- 3) Big Bend Section 114 Mercury Testing Platform
- 4) Big Bend Units 1 and 2 FGD
- 5) Big Bend FGD Optimization and Utilization
- 6) Big Bend Particulate Matter ("PM") Minimization and Monitoring
- 7) Polk NO_x Emissions Reduction
- 8) Big Bend Unit 4 Separated Overfired Air ("SOFA")
- 9) Big Bend Unit 4 Selective Catalytic Reduction ("SCR")
- 10) Big Bend FGD System Reliability
- 11) Mercury Air Toxics Standards ("MATS")
- 12) SO₂ Emission Allowances
- 13) Big Bend Gypsum Storage Facility
- 14) Big Bend Coal Combustion Residuals ("CCR") Rule (CCR Rule - Phase I)
- 15) Coal Combustion Residuals (CCR Rule - Phase II)
- 16) Big Bend Effluent Limitations Guidelines ("ELG") Rule Compliance
- 17) Big Bend Unit 1 Section 316(b) Impingement Mortality

1 18) Bayside 316(b) Compliance

2 19) Big Bend NESHAP Subpart YYYY Compliance

3
4 **Q.** Have you prepared schedules showing the calculation of
5 the recoverable capital project costs for 2026?

6
7 **A.** Yes. Form 42-3P contained in Exhibit No. ZDJ-3 summarizes
8 the cost estimates for these projects. Exhibit No. ZDJ-
9 3, Form 42-4P pages 1 through 19, provides the
10 calculations resulting in recoverable jurisdictional
11 capital costs of \$23,625,975; using the proposed weighted
12 average cost of capital ("WACC") and depreciation rates
13 the Commission approved in Tampa Electric's 2024 petition
14 for rate increase in Docket No. 20240026-EI.

15
16 **Q.** What O&M projects are included in the calculation of the
17 ECRC factors for 2026?

18
19 **A.** Tampa Electric proposes to include, for ECRC recovery,
20 O&M costs for 23 projects in the calculation of the ECRC
21 factors for 2026. These projects are listed below.

22 1) Big Bend Unit 3 FGD Integration

23 2) SO₂ Emission Allowances

24 3) Big Bend Units 1 and 2 FGD

25 4) Big Bend PM Minimization and Monitoring

- 1 5) National Pollutant Discharge Elimination System
- 2 ("NPDES") Annual Surveillance Fees
- 3 6) Polk NO_x Emissions Reduction
- 4 7) Bayside SCR Consumables
- 5 8) Big Bend Unit 4 Separated Overfired Air ("SOFA")
- 6 9) Clean Water Act Section 316(b) Phase II Study
- 7 10) Arsenic Groundwater Standard Program
- 8 11) Big Bend Unit 4 SCR
- 9 12) Mercury Air Toxics Standards
- 10 13) Greenhouse Gas Reduction Program
- 11 14) Big Bend Gypsum Storage Facility
- 12 15) Big Bend Coal Combustion Residual Rule (CCR Rule -
- 13 Phase I)
- 14 16) Big Bend ELG Rule Compliance
- 15 17) CCR Rule - Phase II
- 16 18) Big Bend Unit 1 Section 316(b) Impingement Mortality
- 17 19) Bayside 316(b) Compliance
- 18 20) Big Bend NESHAP Subpart YYYY Compliance
- 19 21) Renewable Energy Credits
- 20 22) Bayside 316(a) Thermal Variance Study
- 21 23) Big Bend CCR Rule Legacy Amendment Study

22

23 **Q.** Have you prepared a schedule showing the calculation of

24 the recoverable O&M project costs for 2026?

25

1 **A.** Yes. Form 42-2P contained in Exhibit No. ZDJ-3 presents
2 the recoverable jurisdictional O&M costs for these
3 projects, which total (\$4,196,621) for 2026.

4
5 **Q.** Did you prepare a schedule providing the description and
6 progress reports for all environmental compliance
7 activities and projects?

8
9 **A.** Yes. Project descriptions and progress reports are
10 provided in Exhibit No. ZDJ-3, Form 42-5P, pages 1 through
11 24.

12
13 **Q.** What are the total projected jurisdictional costs for
14 environmental compliance in the year 2026?

15
16 **A.** The total jurisdictional O&M and capital expenditures to
17 be recovered through the ECRC are calculated on Form 42-
18 1P of Exhibit No. ZDJ-3. These expenditures total
19 \$16,363,838.

20
21 **Q.** How were environmental cost recovery factors calculated?

22
23 **A.** Tampa Electric's calculation of the environmental cost
24 recovery factors is shown on Schedules 42-6P and 42-7P.
25 The company determined the demand and energy allocation

factors by calculating the percentage that each rate class contributes to the total demand or energy and then adjusted for line losses for each rate class. The company calculated this information by applying historical rate class load research to 2026 projected system demand and energy. Form 42-7P presents the calculation of the proposed ECRC factors by rate class.

Q. What are the ECRC billing factors for the period January 2026 through December 2026 for which Tampa Electric is seeking approval?

A. The computation of the billing factors is shown in Exhibit No. ZDJ-3, Document No. 7, Form 42-7P. The proposed ECRC billing factors are summarized below.

Proposed Factors as reflected in Exhibit ZDJ-3

<u>Rate Class</u>	<u>Factors by Voltage Level</u>
	<u>(¢/kWh)</u>
RS Secondary	0.087
GS, CS Secondary	0.080
GSD/GSDT, SBD/SBDT, Secondary	0.072
Primary	0.071
Transmission	0.071

1	GSD Optional	
2	Secondary	0.072
3	Primary	0.071
4	Transmission	0.071
5	GSLDPR/GSLDTPR/SBLDPR/SBLDTPR	0.064
6	GSLDSU/GSLDTSU/SBLDSU/SBLDTSU	0.063
7	LS1, LS2	0.049
8	Average Factor	0.079

9

10 **Q.** When does Tampa Electric propose to begin applying these

11 environmental cost recovery factors?

12

13 **A.** The environmental cost recovery factors will be effective

14 concurrent with the first billing cycle for January 2026.

15

16 **Q.** What capital structure components and cost rates did Tampa

17 Electric rely on to calculate the revenue requirement rate

18 of return for January 2026 through December 2026?

19

20 **A.** To calculate the revenue requirement rate of return found

21 on Form 42-8P, Tampa Electric used the WACC methodology

22 approved by the Commission in Order No. PSC-2020-0165-

23 PAA-EU, approving Amended Joint Motion Modifying Weighted

24 Average Costs of Capital Methodology, issued on May 20,

25 2020.

1 Q. Are the costs Tampa Electric is requesting for recovery
2 through the ECRC for the period beginning in January 2026
3 consistent with the criteria established for ECRC
4 recovery in Order No. PSC-1994-0044-FOF-EI?

5
6 A. Yes. The costs for which Tampa Electric is requesting
7 ECRC recovery meet the following criteria:

- 8 1) Such costs were prudently incurred after April 13,
9 1993;
- 10 2) The activities are legally required to comply with
11 a governmentally imposed environmental regulation
12 enacted, became effective or whose effect was
13 triggered after the company's last test year upon
14 which rates were based; and,
- 15 3) Such costs are not recovered through some other cost
16 recovery mechanism or through base rates.

17
18 Q. Please summarize your direct testimony.
19

20 A. My testimony supports the approval of an average ECRC
21 billing factor of 0.079 cents per kWh, including the
22 projected capital and O&M revenue requirements of
23 16,377,715 as reflected in Exhibit No. ZDJ-3. My testimony
24 also explains that the projected environmental
25 expenditures for 2026 are appropriate for recovery

1 through the ECRC.

2

3 **Q.** Does this conclude your testimony?

4

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

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 (Whereupon, prefiled direct testimony of Byron
2 T. Burrows was inserted.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

TAMPA ELECTRIC COMPANY
DOCKET NO. 20250007-EI
FILED: 08/25/2025

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

BYRON T. BURROWS

Q. Please state your name, address, occupation, and employer.

A. My name is Byron T. Burrows. My business address is 3600 Midtown Drive, Tampa, FL 33607. I am employed by Tampa Electric Company ("Tampa Electric" or "company") as Senior Director, Environmental Services Department.

Q. Please provide a brief outline of your educational background and business experience.

A. I received a Bachelor of Science degree in Civil Engineering from the University of South Florida in 1995. I have been a Registered Professional Engineer in the state of Florida since 1999. Prior to joining Tampa Electric, I worked in environmental consulting for sixteen years. In January 2001, I joined TECO Power Services as Manager-Environmental with primary responsibility for all power plant environmental permitting, and I have primarily worked in the areas of

1 environmental, health, and safety. In 2005, I became
2 Manager - Air Programs. My responsibilities included air
3 permitting and compliance related matters. In 2020, I was
4 promoted to my current position. My responsibilities
5 include the development and administration of the
6 company's environmental policies and goals. I am also
7 responsible for ensuring resources, procedures, and
8 programs comply with applicable environmental
9 requirements, and that rules and policies are in place,
10 function properly, and are consistently applied
11 throughout the company.

12
13 **Q.** What is the purpose of your testimony in this proceeding?
14

15 **A.** The purpose of my testimony is to demonstrate that the
16 activities for which Tampa Electric seeks cost recovery
17 through the Environmental Cost Recovery Clause ("ECRC")
18 for the January 2026 through December 2026 projection
19 period are activities related to programs previously
20 approved by the Commission for recovery through the ECRC.
21

22 **Q.** Please identify and describe the programs included for
23 expenditure recovery that you will discuss.
24

25 **A.** The programs included for expenditure recovery in this

1 filing that I will discuss, include the following
2 projects:

- 3
- 4 1) Big Bend PM Minimization and Monitoring
- 5 2) Big Bend 4 SCR
- 6 3) Big Bend Unit 3 Flue Gas Desulfurization ("FGD")
- 7 Integration
- 8 4) SO₂ Emissions Allowances
- 9 5) Big Bend Units 1 and 2 FGD
- 10 6) NPDES Annual Surveillance Fees
- 11 7) Bayside SCR Consumables
- 12 8) Clean Water Act Section 316(b) Phase II Study
- 13 9) Big Bend Unit 1 Section 316(b) Impingement Mortality
- 14 10) Bayside Section 316(b) Compliance
- 15 11) Big Bend FGD System Reliability
- 16 12) Arsenic Groundwater Standard
- 17 13) Mercury and Air Toxics Standards ("MATS")
- 18 14) Greenhouse Gas ("GHG") Reduction Program
- 19 15) Big Bend Gypsum Storage Facility
- 20 16) Coal Combustion Residuals ("CCR") Rule - Phase I and
- 21 II
- 22 17) Big Bend Effluent Limitations Guidelines ("ELG")
- 23 Rule Compliance
- 24 18) Big Bend NESHAP Subpart YYYY Compliance
- 25 19) Bayside 316(a) Thermal Variance Study

1 20) Big Bend CCR Rule Legacy Amendment Study

2
3 **Q.** Please describe the Big Bend PM Minimization and
4 Monitoring program activities and provide the estimated
5 capital and O&M expenditures for the period of January
6 2026 through December 2026.

7
8 **A.** The Commission approved the Big Bend PM Minimization and
9 Monitoring Program in Order No. PSC-2000-2104-PAA-EI,
10 issued November 6, 2000 in Docket No. 20001186-EI. In
11 that Order, the Commission found that the program met the
12 requirements for recovery through the ECRC. This program
13 includes various projects to improve precipitator
14 performance and reduce PM emissions as required by the
15 Title V Operating Permit for Big Bend Station. Tampa
16 Electric does not anticipate any capital expenditures for
17 this program during 2026; however, the O&M expenditures
18 associated with Best Operating Practice and Procedures
19 ("BOP") and Best Available Control Technology ("BACT")
20 equipment are expected to total \$69,600.

21
22 **Q.** Please describe the Big Bend Unit 4 SCR project and
23 provide estimated capital and O&M expenditures for the
24 period of January 2026 through December 2026.

1 **A.** The Commission approved the Big Bend Unit 4 SCR project
2 in Order No. PSC-2004-0986-PAA-EI, issued October 11,
3 2004 in in Docket No. 20040750-EI. The SCR project at Big
4 Bend Unit 4 encompasses the design, procurement,
5 installation, and annual O&M expenditures associated with
6 an SCR system for the generating unit. Tampa Electric
7 placed the SCR for Big Bend Unit 4 in service in May 2007.
8 Tampa Electric does not anticipate any capital
9 expenditures for this program during 2026; however, the
10 company does project \$210,777 in O&M expenditures for Big
11 Bend Unit 4 SCR in 2026. These expenses are primarily
12 associated with ammonia purchases and maintenance.

13
14 **Q.** Please describe the Big Bend Unit 3 Flue Gas
15 Desulfurization ("FGD") Integration and the Big Bend
16 Units 1 and 2 FGD programs and provide the estimated
17 capital and O&M expenditures for the period of January
18 2026 through December 2026.

19
20 **A.** The Big Bend Unit 3 FGD Integration program was approved
21 by the Commission in Docket No. 19960688-EI, Order No.
22 PSC-1996-1048-FOF-EI, issued August 14, 1996. The
23 Commission approved the Big Bend Units 1 and 2 FGD program
24 in Order No. PSC-1999-0075-FOF-EI, issued January 11,
25 1999 in Docket No. 19980693-EI. In these orders, the

1 Commission found that the programs met the requirements
2 for recovery through the ECRC. The programs were
3 implemented to meet the SO₂ emission requirements of the
4 Phase I and II Clean Air Act Amendments ("CAAA") of 1990.

5
6 The company does not anticipate any capital or O&M
7 expenditures during the period of January 2026 through
8 December 2026 for the Big Bend Unit 3 FGD Integration
9 project or the Big Bend Units 1 & 2 FGD project assets.

10
11 **Q.** What is the Gannon Thermal Discharge Study Project?

12
13 **A.** The Gannon Thermal Discharge Study was a requirement under
14 Gannon's NPDES permit to evaluate the methodology that
15 would be required to comply with Section 316(a) of the
16 Clean Water Act. Gannon Power Station was repowered and
17 renamed the H.L. Culbreath Bayside Power Station in 2003.
18 During the National Pollutant Discharge Elimination
19 System ("NPDES") permit renewal in 2022, the Florida
20 Department of Environmental Protection ("FDEP")
21 determined that Bayside should complete the Study again
22 under the new facility name. As such, the Gannon Thermal
23 Discharge Study project is replaced by and subsumed into
24 the Bayside 316(a) Thermal Variance Study Project which
25 was approved by Commission Order PSC-2024-0482-FOF-EI on

1 November 5, 2024 and any further expenses will be
2 recovered under the Bayside program on an energy basis.
3

4 **Q.** What is the Bayside 316(a) Thermal Variance Study?
5

6 **A.** Bayside 316(a) Thermal Variance Study is a thermal
7 variance study required under Bayside's new NPDES Permit
8 issued December 2022. The new permit required Tampa
9 Electric to submit a plan of study by December 2023 for
10 the completion of a new thermal study, and implementation
11 of the plan within 24 months of the FDEP's approval of
12 the plan. Tampa Electric submitted the plan of study in
13 November of 2023 and began implementing the study in May
14 of 2025. The O&M expenditures are estimated to total
15 \$100,000.
16

17 **Q.** Please describe the Bayside SCR Consumables program
18 activities and provide the estimated O&M expenditures for
19 the period of January 2026 through December 2026.
20

21 **A.** The Commission approved the Bayside SCR Consumables
22 program in Order No. PSC-2003-0469-PAA-EI, issued April
23 4, 2003 in Docket No. 20021255-EI. For the period of
24 January 2026 through December 2026, Tampa Electric
25 projects O&M expenditures associated with consumable

1 goods, primarily anhydrous ammonia, to be approximately
2 \$339,838.

3
4 **Q.** Please describe the Clean Water Act Section 316(b) Phase
5 II Study Program activities and provide the estimated O&M
6 expenditures for the period of January 2026 through
7 December 2026.

8
9 **A.** The Commission approved Tampa Electric's Clean Water Act
10 Section 316(b) ("Section 316(b)") Phase II Study program in
11 Order No. PSC-2005-0164-PAA-EI, issued February 10, 2005,
12 in Docket No. 20041300-EI. The final rule adopted under
13 Section 316(b), the Cooling Water Intake Structures
14 ("CWIS") Rule, became effective October 14, 2014. The rule
15 established requirements for CWIS at existing facilities.
16 Section 316(b) requires that the location, design,
17 construction, and capacity of CWIS reflect the best
18 technology available ("BTA") for minimizing adverse
19 environmental impacts. Tampa Electric has installed and
20 implemented measures that are necessary for compliance with
21 the impingement mortality reduction part of the rule for
22 Big Bend Unit 1 and Bayside Units 1 & 2. For Big Bend Units
23 1 & 4, Tampa Electric will complete the biological,
24 financial, and technical study elements as required by the
25 NPDES permit. Tampa Electric expects that the FDEP will

1 issue a new NPDES permit for Big Bend late August 2025.
2 These elements will ultimately be used by the regulating
3 authority to determine the necessity of cooling water
4 system retrofits for Big Bend Unit 1 and Big Bend Unit 4
5 for impingement and entrainment mortality reduction. There
6 are no anticipated O&M expenditures for this project at
7 this time.

8
9 Tampa Electric installed and commissioned traveling screens
10 at Bayside Power Station to reduce impingement mortality to
11 comply with Section 316(b). The Commission approved cost
12 recovery for this project through Order No. PSC-2021-0356-
13 PAA-EI, issued on September 15, 2021, in Docket No.
14 20210087-EI.

15
16 **Q.** Please describe the Big Bend Unit 1 Section 316(b)
17 Impingement Mortality project activities and provide the
18 estimated capital and O&M expenditures for the period of
19 January 2026 through December 2026.

20
21 **A.** The Commission approved Tampa Electric's Big Bend Unit 1
22 Section 316(b) Impingement Mortality project in Order No.
23 PSC-2018-0594-FOF-EI, issued December 20, 2018 in Docket
24 No. 20180007-EI. In that Order, the Commission found that
25 the program met the requirements for recovery through the

1 ECRC and granted Tampa Electric cost recovery for prudently
2 incurred costs. For the period of January 2026 through
3 December 2026, Tampa Electric does not anticipate any
4 capital expenditures for the Big Bend Unit 1 Section 316(b)
5 Impingement Mortality Project and the O&M expenditures are
6 estimated to be \$24,000.

7
8 **Q.** Please describe the Bayside Section 316(b) Compliance
9 project activities and provide the estimated capital and
10 O&M expenditures for the period of January 2026 through
11 December 2026.

12
13 **A.** The Bayside Section 316(b) Compliance project was approved
14 by the Commission in Docket No. 20210087-EI, Order No. PSC-
15 2018-0356-PAA-EI, issued September 15, 2021. In that order,
16 the Commission found that the program met the requirements
17 for recovery through the ECRC and granted Tampa Electric
18 cost recovery for prudently incurred costs. For the period
19 January 2026 through December 2026, Tampa Electric does not
20 anticipate any capital expenditures for the Bayside Section
21 316(b)project. Tampa Electric anticipates the O&M
22 expenditures for the Bayside Section 316(b) Compliance
23 Project to be \$367,284 in 2026.

24
25 **Q.** Please describe the Big Bend FGD System Reliability

1 program activities and provide the estimated capital
2 expenditures for the period of January 2026 through
3 December 2026.

4
5 **A.** Tampa Electric's Big Bend FGD System Reliability program
6 was approved by the Commission in Docket No. 20050958-EI,
7 Order No. PSC-2006-0602-PAA-EI, issued July 10, 2006. The
8 Commission granted approval for prudent costs associated
9 with this project. For the period of January 2026 through
10 December 2026, there are no anticipated capital
11 expenditures for this project.

12
13 **Q.** Please describe the Arsenic Groundwater Standard program
14 activities and provide the estimated O&M expenditures for
15 the period of January 2026 through December 2026.

16
17 **A.** The Commission approved the Arsenic Groundwater Standard
18 program in Order No. PSC-2006-0138-PAA-EI issued February
19 23, 2006 in Docket No. 20050683-EI. In that Order, the
20 Commission found that the program met the requirements
21 for recovery through the ECRC and granted Tampa Electric
22 cost recovery for prudently incurred costs. This
23 groundwater standard applies to Tampa Electric's Bayside,
24 Big Bend, and Polk Power Stations. Tampa Electric
25 submitted a detailed plan of study to the FDEP, which

1 requested a site wide groundwater evaluation after
2 reviewing the study. Tampa Electric submitted the results
3 of this evaluation in 2020 and a proposal for modification
4 of the site groundwater monitoring network to evaluate
5 ongoing compliance. The proposal is under review by FDEP.
6 Once FDEP completes its review, additional O&M
7 expenditures may be incurred if additional monitoring and
8 assessment are required. For the period of January 2026
9 through December 2026, there are no anticipated O&M
10 expenditures associated with the program.

11
12 **Q.** Please describe the MATS program activities.

13
14 **A.** The Commission approved the MATS program in Order No.
15 PSC-2013-0191-PAA-EI, issued May 6, 2013 in Docket No.
16 20120302-EI. In that order, the Commission found that the
17 program met the requirements for recovery through the ECRC
18 and granted Tampa Electric approval for cost recovery of
19 prudently incurred costs. Additionally, the Commission
20 granted the subsumption of the previously approved Clean
21 Air Mercury Rule (CAMR) program into the MATS program.

22
23 On February 8, 2008, the Washington D.C. Circuit Court
24 vacated EPA's rule removing power plants from the Clean
25 Air Act list of regulated sources of hazardous air

1 pollutants under Section 112. At the same time, the court
2 vacated the CAMR. On May 3, 2011, the EPA published a new
3 proposed rule for mercury and other hazardous air
4 pollutants according to the National Emissions Standards
5 for Hazardous Air Pollutants section of the Clean Air
6 Act. On February 16, 2012, the EPA published the final
7 rule for MATS. The rule revised the mercury limits and
8 provided more flexible monitoring and record keeping
9 requirements. Additionally, monitoring of acid gases and
10 particulate matter is required. Compliance with the rule
11 began on April 16, 2015. Tampa Electric is currently
12 meeting or exceeding the standards required by the MATS
13 rule for mercury, particulate matter, and acid gases at
14 Polk Power Station and Big Bend Power Station.

15
16 **Q.** Please provide MATS program estimated capital and O&M
17 expenditures for the period of January 2026 through
18 December 2026.

19
20 **A.** For the period January 2026 through December 2026, Tampa
21 Electric does not anticipate any capital expenditures
22 under the MATS program. O&M expenditures are projected to
23 total \$1,030 for testing requirements and equipment
24 maintenance.
25

1 Q. Please describe the Greenhouse Gas ("GHG") Reduction
2 program activities and provide the estimated O&M
3 expenditures for the period of January 2026 through
4 December 2026.

5
6 A. Tampa Electric's GHG Reduction program, which was
7 approved by the Commission in Docket No. 20090508-EI,
8 Order No. PSC-2010-0157-PAA-EI, issued March 22, 2010, is
9 a result of the EPA's GHG Mandatory Reporting Rule
10 requiring annual reporting of greenhouse gas emissions.
11 Tampa Electric was required to report greenhouse gas
12 emissions for the first time in 2011. Reporting for the
13 EPA's GHG Mandatory Reporting Rule will continue in 2026.
14 For the period January 2026 through December 2026, O&M
15 expenditures are projected to total \$21,699.

16
17 Q. Please describe the Big Bend Gypsum Storage Facility
18 activities and provide the estimated capital and O&M
19 expenditures for the period of January 2026 through
20 December 2026.

21
22 A. The Commission approved the Big Bend Gypsum Storage
23 Facility program in Order No. PSC-2012-0493-PAA-EI,
24 issued September 26, 2012 in Docket No. 20110262-EI. In
25 that Order, the Commission found that the program meets

1 the requirements for recovery through the ECRC. Tampa
2 Electric does not anticipate any capital expenditures for
3 this program in 2026; however, the company does project
4 \$289,970 in O&M expenditures for this program.

5
6 **Q.** Please describe the company's EPA CCR Rule compliance
7 activities and provide the estimated capital and O&M
8 expenditures for the period of January 2026 through
9 December 2026.

10
11 **A.** On April 17, 2015, the EPA issued a final rule to regulate
12 CCR as non-hazardous waste under Subtitle D of the
13 Resource Conservation and Recovery Act ("RCRA"). The
14 rule, which became effective on October 19, 2015, covers
15 all operational CCR disposal facilities, as well as
16 inactive impoundments which contain CCR and liquids. The
17 Big Bend Unit 4 Economizer Ash Ponds, the East Coalfield
18 Stormwater Pond (converted former slag fines pond), and
19 the North Gypsum Stackout Area are regulated under the
20 rule. The initial phase of the company's CCR compliance
21 was approved by the Commission in Docket No. 20150223-EI,
22 Order No. PSC-2016-0068-PAA-EI, issued February 9, 2016.
23 In that order, the Commission found that the CCR Rule -
24 Phase I program met the requirements for recovery through
25 the ECRC. Incremental ongoing O&M expenditures resulting

1 from the groundwater monitoring program, berm
2 inspections, and general maintenance of regulated units
3 were approved under the Order. In order to determine the
4 best option to remain in compliance with the new rule,
5 the company evaluated whether to continue operation of
6 the regulated CCR units or close them. Tampa Electric
7 chose a combination of closure and retrofit projects to
8 remain in compliance with the CCR Rule, as discussed later
9 in this section.

10
11 The Commission approved two CCR retrofit projects for
12 Tampa Electric's CCR Rule - Phase I program under Order
13 No. PSC-2016-0068-PAA-EI. These included: 1) removal of
14 remaining residual slag from the East Coalfield
15 Stormwater Runoff Pond and lining the pond to continue
16 operating it as part of the station's stormwater system;
17 and 2) installing secondary stormwater containment
18 facilities and lining drainage ditches for the North
19 Gypsum Stackout Area to make it fully compliant with the
20 rule's requirements. The Commission approved Phase II of
21 Tampa Electric's CCR Rule program in Order No. 2017-0483-
22 PAA-EI, issued December 22, 2017 in Docket No. 20170168-
23 EI. In that Order, the Commission found that the Phase II
24 program met the requirements for recovery through the
25 ECRC. That Order approved cost recovery of expenses for

1 the Economizer Ash Pond System Closure project, which
2 included removal and offsite disposal of all CCRs and
3 restoration of the area.

4
5 The Economizer Ash Pond System Closure began in the fourth
6 quarter of 2018 with initial dewatering and removal of
7 CCR for disposal. Due to the large amount of CCR in the
8 Economizer Ash Ponds that needed to be dewatered and
9 shipped to the landfill, this project continued until
10 completion in late 2021. The East Coalfield Stormwater
11 Runoff Pond (slag pond) closure and retrofit project was
12 originally scheduled to be completed in 2019 but was
13 delayed due to unusually high rainfall amounts throughout
14 that year. As a result, this project was initiated in
15 2020 and completed in early 2021, in accordance with state
16 regulatory requirements. The North Gypsum Stackout Area
17 Drainage Improvements Project was also delayed to allow
18 for finalization of the engineering and construction
19 scope details, but the final phase of the project is
20 currently underway, with completion expected in 2025.

21
22 There are no capital or O&M expenditures anticipated for
23 either CCR Rule Phase I or Phase II for 2026.

24
25 Q. Have there been any changes to the EPA's CCR Compliance

1 Rule?

2
3 **A.** Yes. In May 2024, EPA promulgated the CCR Rule Legacy
4 Amendment, potentially regulating certain CCR
5 impoundments or other management units not regulated
6 under the original rule. Facility evaluations are
7 required to be performed beginning in 2026 to determine
8 the rule's applicability to Big Bend Station. Tampa
9 Electric expects to incur O&M expenditures of \$45,000 in
10 2026 for the Facility Evaluation.

11
12 **Q.** Please describe Tampa Electric's ELG Rule activities,
13 both study and compliance related, and provide the
14 estimated capital and O&M expenditures for the period of
15 January 2026 through December 2026.

16
17 **A.** On November 3, 2015, the EPA published the final Steam
18 Electric Power Generating ELG Rule, with an effective date
19 of January 4, 2016. The ELG establishes limits for
20 wastewater discharges from FGD processes, fly ash, and
21 bottom ash transport water, leachate from ponds and
22 landfills containing CCR, gasification processes, and
23 flue gas mercury controls. Big Bend Station's FGD system
24 is affected by this rule. The blow-down stream from the
25 FGD system was previously sent to a physical chemical

1 treatment system to remove solids, some metals, and
2 ammonia and adjust pH prior to discharge to Tampa Bay via
3 the once through condenser cooling system water. The
4 regulating authority required compliance with ELG no
5 later than December 31, 2023.

6
7 The Commission approved Tampa Electric's Big Bend ELG Study
8 Program ("ELG Study") in Order No. PSC-2016-0248-PAA-EI,
9 issued June 28, 2016 in Docket No. 20160027-EI.

10
11 The ELG Study, which Tampa Electric completed in 2018,
12 identified viable technologies to treat the Tampa Electric
13 Big Bend Station combined effluent streams to bring the
14 streams into compliance with the more stringent
15 requirements under the ELG Rule and resulted in the
16 selection of the deep well injection solution. The
17 Commission approved the Big Bend ELG Compliance project in
18 Order No. PSC-2018-0594-FOF-EI, issued December 20, 2018 in
19 Docket No. 20180007-EI. In that order, the Commission found
20 that the program met the requirements for recovery through
21 the ECRC and granted Tampa Electric cost recovery for
22 prudently incurred costs.

23
24 For the period January 2026 through December 2026, Tampa
25 Electric does not anticipate any capital expenditures,

1 and projects \$670,000 in O&M expenditures.

2
3 **Q.** Please describe Tampa Electric's National Emission
4 Standards for Hazardous Air Pollutants ("NESHAP") Subpart
5 YYYY Compliance Project activities and provide the
6 estimated capital and O&M expenditures for the period of
7 January 2026 through December 2026.

8
9 **A.** The Commission approved Tampa Electric's Clean Air Act,
10 NESHAP Subpart YYYY Compliance Project in Order No. PSC-
11 2022-0286-PAA-EI issued on July 22, 2022, in Docket No.
12 20220055-EI. The project is required to comply with the
13 Environmental Protection Agency's ("EPA") formaldehyde
14 emission standard set for stationary, gas-fired
15 combustion turbines. For the period January 2026 through
16 December 2026, Tampa Electric does not anticipate any
17 capital expenditures. The project's O&M expenditures are
18 expected to total \$7,500 in 2026.

19
20 **Q.** Does Tampa Electric have any annual environmental costs
21 required by the Florida Administrative Code?

22
23 **A.** Yes. Tampa Electric's Big Bend, Polk, and Bayside Power
24 Stations are subject to Chapter 62-4.052, Florida
25 Administrative Code, which implements the annual regulatory

1 program surveillance fees for wastewater permits. The
2 annual estimated O&M expenditures for NPDES Annual
3 Surveillance Fees for the three generating plants for the
4 period January 2026 through December 2026 total \$35,535.

5
6 **Q.** Are there any new unapproved projects that Tampa Electric
7 will be requesting to be included in its 2026 ECRC
8 factors?

9
10 **A.** Yes. As described above, the O&M expenditures for the
11 CCR Rule Legacy Amendment Study for Big Bend Power Station
12 are expected to be \$45,000 in 2026.

13
14 **Q.** Please summarize your testimony.

15
16 **A.** I described ongoing environmental compliance requirements
17 of the Clean Air Act, Title V Operating permit (0570039-
18 155-AV) for the Big Bend Station. I described the progress
19 Tampa Electric has made to achieve the more stringent
20 environmental standards. Big Bend 1-3 retired assets, the
21 balances of which were transferred to the company's CETM
22 in 2022 and 2023 upon retirement, have been excluded from
23 this clause in accordance with the company's 2021
24 Settlement Agreement. I identified estimated costs, by
25 project, which the company expects to incur in 2026.

1 Additionally, my testimony identified additional projects
2 that are required for Tampa Electric to meet environmental
3 requirements, and I provided the associated 2026
4 activities and projected expenditures.

5
6 **Q.** Does this conclude your direct testimony?

7
8 **A.** Yes, it does.

1 CHAIRMAN LA ROSA: Let's go ahead and let's
2 talk about any other matters that need to be
3 addressed in the 04 docket -- excuse me, in the 07
4 docket.

5 MR. MARQUEZ: In the 07, yes, Mr. Chairman,
6 staff has compiled a stipulated Comprehensive
7 Exhibit List, which includes the prefiled exhibits
8 attached to the witnesses' testimonies in this
9 case, as well as a number of staff exhibits. The
10 list was provided to the parties, the
11 Commissioners, as well as the court reporter. The
12 list is premarked as the first hearing exhibit, and
13 the other exhibits should be premarked as set forth
14 in the Comprehensive Exhibit List.

15 CHAIRMAN LA ROSA: All right. Then the
16 exhibits are so marked.

17 (Whereupon, Exhibit Nos. 1-22 were marked for
18 identification.)

19 MR. MARQUEZ: Mr. Chairman, staff requests
20 that the Comprehensive Exhibit List, premarked for
21 identification as Exhibit No. 1, be entered into
22 the record at this time.

23 CHAIRMAN LA ROSA: All right. Exhibit 1 is
24 then entered.

25 (Whereupon, Exhibit No. 1 was received into

1 evidence.)

2 MR. MARQUEZ: Staff also asks that Exhibits 2
3 through 22 be entered into the record.

4 CHAIRMAN LA ROSA: Have the parties had an
5 opportunity to review the exhibit list? It looks
6 like yes. Then let's go ahead and enter those into
7 the record without objections. That's Exhibit 2
8 through 22.

9 (Whereupon, Exhibit Nos. 2-22 were received
10 into evidence.)

11 MR. MARQUEZ: Thank you, Mr. Chairman.

12 Your Honors, because the parties have reached
13 Type 2 stipulations, with the intervenors not
14 objecting to the Commission considering those
15 stipulations on all issues in this case, staff
16 suggests that the Commission make a bench decision
17 because the parties agreed to waive post-hearing
18 briefs.

19 Staff is also available for any questions you
20 may have.

21 CHAIRMAN LA ROSA: Commissioners, are there
22 any questions on this docket?

23 Seeing none, open for a motion.

24 COMMISSIONER PASSIDOMO SMITH: I would move
25 approval of the proposed Type 2 stipulations as

1 shown on pages 11 through 19 of the Prehearing
2 Order.

3 COMMISSIONER CLARK: Second.

4 CHAIRMAN LA ROSA: All right. Hearing a
5 motion, and hearing a second.

6 All those in favor signify by saying yay.

7 (Chorus of yays.)

8 CHAIRMAN LA ROSA: Yay.

9 Opposed no?

10 (No response.)

11 CHAIRMAN LA ROSA: Show that the motion
12 passes.

13 Are there any other matters that need to be
14 addressed to the 07 docket?

15 MR. MARQUEZ: No.

16 CHAIRMAN LA ROSA: Okay. Seeing none -- not
17 seeing any that need to be addressed, let's go
18 ahead and then move to 10.

19 (Proceedings concluded.)

20

21

22

23

24

25

1 CERTIFICATE OF REPORTER

2 STATE OF FLORIDA)
3 COUNTY OF LEON)

4

5 I, DEBRA KRICK, Court Reporter, do hereby
6 certify that the foregoing proceeding was heard at the
7 time and place herein stated.8 IT IS FURTHER CERTIFIED that I
9 stenographically reported the said proceedings; that the
10 same has been transcribed under my direct supervision;
11 and that this transcript constitutes a true
12 transcription of my notes of said proceedings.13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 am I a relative or employee of any of the parties'
16 attorney or counsel connected with the action, nor am I
17 financially interested in the action.

18 DATED this 12th day of November, 2025.

19

20

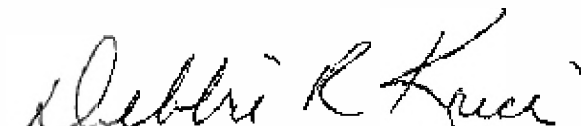
21

22

23

24

25


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028