BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: DOCKET NO. 090007-EI

ENVIRONMENTAL COST RECOVERY CLAUSE.
_______________________________/

VOLUME 2
Pages 189 through 293

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PROCEEDINGS:	HEARING
COMMISSIONERS PARTICIPATING:	CHAIRMAN MATTHEW M. CARTER, II COMMISSIONER LISA POLAK EDGAR COMMISSIONER NANCY ARGENZIANO COMMISSIONER NATHAN A. SKOP COMMISSIONER DAVID E. KLEMENT
PLACE:	Betty Easley Conference Center Room 148 4075 Esplanade Way Tallahassee, Florida
DATE:	Monday, November 2, 2009
REPORTED BY:	LINDA BOLES, RPR, CRR Official FPSC Reporter (850) 413-6734
APPEARANCES:	(As heretofore noted.)

I N D E X

WITNESSES

EXHIBITS

NUMBER:	ID.	ADMTD.

No exhibits marked in this volume

TAMPA ELECTRIC COMPANY
DOCKET NO. 090007-EI
FILED: 04/01/09

BEFORE THE PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

HOWARD T. BRYANT

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

A. My name is Howard T. Bryant. 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 graduated from the University of Florida in June 1973 with a Bachelor of Science degree in Business Administration. I have been employed at Tampa Electric since 1981. My work has included various positions in Customer Service, Energy Conservation Services, Demand Side Management ("DSM") Planning, Energy Management and Forecasting, and Regulatory Affairs. In my current position, I am responsible for the company's Energy Conservation Cost Recovery ("ECCR") clause, the

Environmental Cost Recovery Clause ("ECRC"), and retail rate design.

Q. Have you previously testified before the Florida Public Service Commission ("Commission")?

A. Yes. I have testified before this Commission on ECRC activities since 2001 as well as conservation and load management activities, DSM goals setting, DSM plan approval dockets and other ECCR dockets since 1993.

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

A. The purpose of my testimony is to present, for Commission review and approval, the actual true-up amount for the ECRC and the calculations associated with the environmental compliance activities for the January 2008 through December 2008 period.

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

A. Yes. Exhibit No. _____ (HTB-1) consists of eight forms prepared under my direction and supervision.

- Form 42-1A, Document No. 1, Final true-up for the January 2008 through December 2008 period;
- Form 42-2A, Document No. 2, provides the detailed calculation of the actual true-up for the period;
- Form 42-3A, Document No. 3, provides details to the calculation of the interest provision for the period;
- Form 42-4A, Document No. 4, reflects the calculation of variances between actual and actual/estimated costs for O&M activities;
- Form 42-5A, Document No. 5, provides a summary of actual monthly O&M activity costs for the period;
- Form 42-6A, Document No. 6, provides details of the calculation of variances between actual and actual/estimated costs for capital investment projects;
- Form 42-7A, Document No. 7, presents a summary of actual monthly costs for capital investment projects for the period;
- Form 42-8A, Document No. 8, pages 1 through 25, consist of the calculation of depreciation expenses and return on capital investment for each project that is being recovered through the ECRC, and page 26 calculates the net expenses associated with maintaining an SO_2 allowance inventory.

Q. What is the source of the data presented by way of your testimony or exhibits in this process?

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

Q. What is the actual true-up amount Tampa Electric is requesting for the January 2008 through December 2008 period?

A. Tampa Electric has calculated and is requesting approval of an under-recovery of $15,866,217 as the actual true-up amount for the January 2008 through December 2008 period.

Q. What is the adjusted net true-up amount Tampa Electric is requesting for the January 2008 through December 2008 period which is to be applied in the calculation of the environmental cost recovery factors to be refunded/(recovered) in the 2010 projection period?

A. Tampa Electric has calculated an under-recovery of

$8,112,993 reflected on Form 42-1A, as the adjusted net true-up amount for the January 2008 through December 2008 period. This adjusted net true-up amount is the difference between the actual over-recovery and the actual/estimated over-recovery for the January 2008 through December 2008 period as depicted on Form 42-1A. The actual true-up amount for the January 2008 through December 2008 period is an under-recovery of $15,866,217 as compared to the $7,753,224 actual/estimated under-recovery amount approved in Commission Order No. PSC-08-0775-FOF-EI issued November 24, 2008.

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

A. All costs listed in Forms 42-4A through 42-8A for which Tampa Electric is seeking recovery are attributable to environmental compliance projects approved by the Commission. However, Form 42-8A, pages 20 and 21, provides expenditures associated with Big Bend Units 1 and 2 Selective Catalytic Reduction ("SCR") projects and are only included at this time for identification and tracking purposes. Recovery of these expenditures is not included in the 2008 ECRC True-Up. Consistent with the

Commission's decisions in Docket Nos. 980693-EI, 040007-EI, 040750-EI and 041376-EI, the company will not seek recovery of the SCR project costs associated with these Commission approved environmental compliance projects until each project is placed in-service. Big Bend Unit 4 SCR was approved in Docket No. 040750-EI, Order No. PSC-04-0986-PAA-EI and went in-service May 2007. Big Bend Units 1 through 3 SCRs were approved in Docket No. 041376-EI, Order No. PSC-05-0502-PAA-EI and Unit 3 went in-service July 2008. Units 1 and 2 are projected to be in-service in May 2010 and May 2009, respectively.

Q. Did Tampa Electric include costs in its 2008 final ECRC true-up filing for any environmental projects that were not anticipated and included in its 2008 factors?

A. No.

Q. How did actual expenditures for the January 2008 through December 2008 period compare with Tampa Electric's actual/estimated projections as presented in previous testimony and exhibits?

A. As shown on Form 42-4A, total O&M activities costs were $7,873,912 or 154.5 percent greater than the actual/estimated projections. Form 42-6A shows the total capital investment costs were $28,112 or 0.1 percent lower than the actual/estimated projections. O&M and capital investment projects with material variances from the 2008 Actual/Estimated True-Up filing are explained below.

O&M Project Variances

- **SO_2 Emissions Allowances:** The SO_2 Emission Allowances project variance was $7,109,408 or 37.9 percent more than projected. The variance was due to lower market prices for allowances sold than projected.
- **Big Bend Units 1 and 2 FGD:** The Big Bend Units 1 and 2 FGD project variance was $1,205,533 or 19.0 percent greater than projected due to increased maintenance and repair activities.
- **Big Bend PM Minimization and Monitoring:** The Big Bend PM Minimization and Monitoring project variance was $125,459 or 28.6 percent less than projected due to the timing of projects being slower than anticipated and work deferred to 2009.

Big Bend NO_x Emissions Reduction: The Big Bend NO_x Emissions Reduction project variance was $36,545 or 7.1 percent less than projected due to the timing of projects being slower than anticipated.

- **Gannon Thermal Discharge Study:** The Gannon Thermal Discharge Study project variance was $10,330 or 13.6 percent higher than projected due to contractor costs for the completion of the study being higher than anticipated.
- **Polk NO_x Emissions Reduction:** The Polk NO_x Emissions Reduction project variance was $8,421 or 18.0 percent less than originally projected due to less maintenance than anticipated.
- **Bayside SCR Consumables:** The Bayside SCR Consumables project variance was $38,030 or 35.2 percent greater than originally projected due to the increase in purchases of ammonia than originally anticipated.
- **Big Bend Unit 4 SOFA:** The Big Bend Unit 4 SOFA project variance was $8,684 or 26.4 percent lower than projected due to an inadvertent accounting error that was corrected in January 2009 and is reflected in the 2009 ECRC True-Up.
- **Big Bend Unit 1 Pre-SCR:** The Big Bend Unit 1 Pre-SCR project did not incur any expenses as originally projected due to other system maintenance priorities. No impact to the operations of the equipment occurred. Work has been deferred to early 2009.
- **Big Bend Unit 2 Pre-SCR:** The Big Bend Unit 2 Pre-SCR project variance was $4,327 or 37.9 percent less than

projected due to other system maintenance priorities. No impact to the operations of the equipment occurred. Work has been deferred to early 2009.

- **Clean Water Act Section 316(b) Phase II Study:** The Clean Water Act Section 316(b) Phase II Study was $25,507 or 20.5 percent more than projected due to a requirement for additional analysis not originally projected.
- **Arsenic Groundwater Standard Program:** The Arsenic Groundwater Standard program variance was $25,995 or 26.4 percent less than projected due to the lining of the wastewater pond being placed on hold until the study is reviewed by FDEP. The pond lining is expected to be complete by the third quarter of 2009.
- **Big Bend Unit 3 SCR:** The Big Bend Unit 3 SCR project variance was $300,358 or 25.0 percent less than projected due to the lower than anticipated consumption of ammonia.

__**Capital Investment Project Variances**__

- **SO_2 Emissions Allowances:** The SO_2 Emission Allowances project variance was $770 or 13.4 percent less than projected. The variance was due to lower market prices for allowances sold than projected as well as less allowances sold than originally projected.

Q. Does this conclude your testimony?

A. Yes, it does.

TAMPA ELECTRIC COMPANY
DOCKET NO. 090007-EI
FILED: 08/03/09

BEFORE THE PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

HOWARD T. BRYANT

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

A. My name is Howard T. Bryant. 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 graduated from the University of Florida in June 1973 with a Bachelor of Science degree in Business Administration. I have been employed at Tampa Electric since 1981. My work has included various positions in Customer Service, Energy Conservation Services, Demand Side Management ("DSM") Planning, Energy Management and Forecasting, and Regulatory Affairs. In my current position I am responsible for the company's Energy Conservation Cost Recovery ("ECCR") clause, the

Environmental Cost Recovery Clause ("ECRC"), and retail rate design.

Q. Have you previously testified before the Florida Public Service Commission ("Commission")?

A. Yes. I have testified before this Commission on conservation and load management activities, DSM goals setting and DSM plan approval dockets, and other ECCR dockets since 1993, and ECRC activities since 2001.

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

A. The purpose of my testimony is to present, for Commission review and approval, the calculation of the January 2009 through December 2009 estimated true-up amount to be refunded or recovered through the ECRC during January 2010 through December 2010. My testimony addresses the recovery of capital and operations and maintenance ("O&M") costs associated with environmental compliance activities for 2009, based on six months of actual data and six months of estimated data. This information will be used to determine the environmental cost recovery factors for January 2010 through December 2010.

Q. Have you prepared an exhibit that shows the determination of the recoverable environmental costs for the period January 2009 through December 2009?

A. Yes. Exhibit No. _____ (HTB-2), containing eight documents, was prepared under my direction and supervision. It includes Forms 42-1E through 42-8E which show the current period estimated true-up amount to be used in calculating the cost recovery factors for January 2010 through December 2010.

Q. What has Tampa Electric calculated as the estimated true-up for the current period to be applied to the January 2010 through December 2010 ECRC factors?

A. The estimated true-up applicable for the current period, January 2009 through December 2009, is an under-recovery of $9,279,129. A detailed calculation supporting the estimated true-up is shown on Forms 42-1E through 42-8E of my exhibit.

Q. Is Tampa Electric including costs in this estimated true-up filing for any environmental projects that were not anticipated and included in its 2009 factors?

A. No.

Q. What depreciation rates were utilized for the capital projects contained in the 2009 Actual/Estimated True-Up?

A. Tampa Electric utilized the depreciation rates approved in Order No. PSC-08-0014-PAA-EI issued on January 4, 2008 in Docket No. 070284-EI.

Q. How did the actual/estimated project expenditures for January 2009 through December 2009 period compare with the company's original projection?

A. As shown on Form 42-4E, total O&M activities were $10,734,895 more than projected costs. Total capital expenditures itemized on Form 42-6E, were $3,983,808 lower than originally projected. O&M and capital investment projects with material variances are explained below.

O&M Project Variances

- **Big Bend Unit 3 Flue Gas Desulfurization Integration:** The Big Bend Unit 3 Flue Gas Desulfurization Integration project variance is estimated to be $306,210 or 8.4 percent lower than originally projected due to a lower cost of consumables for gypsum production as well as a decrease in maintenance costs.

- **SO_2 Emission Allowances:** The SO_2 Emission Allowances project variance is estimated to be $12,501,038 or 103.1 percent higher than projected. The variance is due to the increase in the number of allowances sold in 2008 that were originally projected to be sold in 2009.
- **Big Bend Units 1 and 2 Flue Gas Desulfurization:** The Big Bend Unit 1 and 2 Flue Gas Desulfurization project variance is estimated to be $903,737 or 12.1 percent more than originally projected due to increased maintenance.
- **Gannon Thermal Discharge Study:** The Gannon Thermal Discharge Study project variance is estimated to be $144,066 or 288.1 percent higher than originally projected. The variance is due to the late receipt of invoices as a result of contract negotiations.
- **Polk NO_x Emissions Reduction:** The Polk NO_x Emissions Reduction project variance is estimated to be $25,964 or 34.6 percent lower than originally projected due to less maintenance than anticipated.
- **Bayside SCR Consumables:** The Bayside SCR Consumables project variance is estimated to be $40,057 or 48.9 percent higher than originally projected due to the increase in price and consumption of ammonia.
- **Big Bend Unit 4 SOFA:** The Big Bend Unit 4 SOFA project

variance is estimated to be $24,282 or 48.6 percent lower than originally projected due to less maintenance activity than anticipated.

- **Clean Water Act Section 316(b) Phase II Study:** The Clean Water Act Section 316(b) Phase II Study project variance is estimated to be $102,760 or 68.5 percent less than projected. The variance is due to lower contractor costs to complete the impingement study reports.
- **Big Bend Unit 4 SCR:** The Big Bend Unit 4 SCR project variance is estimated to be $573,878 or 45.8 percent less than originally projected due to a decrease in the usage of ammonia.
- **Big Bend Unit 3 SCR:** The Big Bend Unit 3 SCR project variance is estimated to be $767,612 or 34.8 percent less than originally projected due to a decrease in the usage of ammonia.
- **Big Bend Unit 2 SCR:** The Big Bend Unit 3 SCR project variance is estimated to be $1,078,800 or 59.7 percent less than originally projected due to the delay of commercial operation.

Capital Investment Project Variances

- **Big Bend Unit 2 SCR:** The Big Bend Unit 2 SCR project variance is estimated to be $3,734,107 or 43.3 percent less than the original projection due to the delay in commercial operation.

- **Clean Air Mercury Rule:** The Clean Air Mercury Rule project variance is estimated to be $40,368 or 36.5 percent more than originally projected due to the installation of the equipment to collect base line data in preparation for changes to the Clean Air Mercury Rule.
- **SO_2 Emission Allowances:** The SO_2 Emission Allowances project variance is estimated to be $3,368 or 201.8 percent less than originally projected. The variance is due to the sale of allowances in 2008 than were originally projected for 2009.

Q. Please describe the changes to the 2009 ECRC estimated true-up as related to Tampa Electric's new capital structure approved in Docket No. 080317-EI.

A. Pursuant to Order No. PSC-09-0283-FOF-EI in Docket No. 080317-EI, issued on April 30, 2009, Tampa Electric reduced its overall cost of capital to 8.11 percent, effective May 7, 2009. The Commission subsequently granted Tampa Electric's motion for reconsideration requesting the recalculation of the weighted average cost of capital and revised the order to reflect the new level of 8.29 percent.

Q. Please describe the changes to the 2009 environmental cost recovery factors related to Tampa Electric's new rate design approved in Docket No. 080317-EI.

A. As a result of Tampa Electric's base rate case the Commission approved the consolidation of the company's General Service - Demand ("GSD") and General Service - Large Demand ("GSLD") rate customers into one new GSD rate class. Additionally, the allocation of production demand costs according to the 12 Coincident Peak ("CP") and 1/13th Average Demand ("AD") methodology, where 1/13th or approximately eight percent of the demand costs is allocated on an energy basis, was modified to 12 CP and 25 percent AD to better reflect cost causation. The new Commission approved methodology is effective for meter readings on or after May 7, 2009 and ensures that the prices customers pay for electric service bear a reasonable relationship to the costs of providing that service.

Q. Does this conclude your testimony?

A. Yes, it does.

TAMPA ELECTRIC COMPANY
DOCKET NO. 090007-EI
FILED: AUGUST 28, 2009

BEFORE THE PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

HOWARD T. BRYANT

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

A. My name is Howard T. Bryant. My business address is 702 North Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "company") as Manager, Rates in the Regulatory Affairs Department.

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

A. I graduated from the University of Florida in June 1973 with a Bachelor of Science degree in Business Administration. I have been employed at Tampa Electric since 1981. My work has included various positions in Customer Service, Energy Conservation Services, Demand Side Management ("DSM") Planning, Energy Management and Forecasting, and Regulatory Affairs. In my current position I am responsible for the company's Energy Conservation Cost Recovery ("ECCR") clause, the

Environmental Cost Recovery Clause ("ECRC"), and retail rate design.

Q. Have you previously testified before the Florida Public Service Commission ("Commission")?

A. Yes. I have testified before this Commission on conservation and load management activities, DSM goals setting and DSM plan approval dockets, and other ECCR dockets since 1993, and ECRC activities since 2001.

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

A. The purpose of my testimony is to present, for Commission review and approval, the calculation of the revenue requirements and the projected ECRC factors for the period of January 2010 through December 2010. In support of the projected ECRC factors, my testimony identifies the capital and operating and maintenance ("O&M") costs associated with environmental compliance activities for the year 2010.

Q. Have you prepared an exhibit that shows the determination of recoverable environmental costs for the period of January 2010 through December 2010?

A. Yes. Exhibit No. ___ (HTB-3), containing seven documents, was prepared under my direction and supervision. Document Nos. 1 through 7 contain Forms 42-1P through 42-7P, which show the calculation and summary of O&M and capital expenditures that support the development of the environmental cost recovery factors for 2010.

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

A. Yes. The ECRC factors, prepared under my direction and supervision, are provided in Exhibit No. ____ (HTB-3), Document No. 7, on Form 42-7P. These annualized factors will apply for the period January through December 2010.

Q. What has Tampa Electric calculated as the net true-up to be applied in the period January 2010 through December 2010?

A. The net true-up applicable for this period is an under-recovery of $17,392,122. This consists of the final true-up under-recovery of $8,112,993 for the period of January 2008 through December 2008 and an estimated true-up under-recovery of $9,279,129 for the current period of January 2009 through December 2009. The detailed calculation supporting the estimated net true-up was provided on Forms 42-1E through 42-8E of Exhibit No. ___ (HTB-2) filed with the Commission on August 3, 2009.

Q. What was the major contributing factor that created the net under-recovery to be applied to the company's ECRC rates for the period January 2010 through December 2010?

A. The major contributing factor that created the net under-recovery was the revenue shortfall that resulted from the significant market decline in SO_2 emission allowance prices.

Q. Will Tampa Electric propose any new environmental compliance projects for ECRC cost recovery for the period from January 2010 through December 2010?

A. No.

Q. What are the existing capital projects included in the calculation of the ECRC factors for 2010?

A. Tampa Electric proposes to include for ECRC recovery the

26 previously approved capital projects and their projected costs in the calculation of the ECRC factors for 2010. These projects are:

1) Big Bend Unit 3 Flue Gas Desulfurization ("FGD") Integration
2) Big Bend Units 1 and 2 Flue Gas Conditioning
3) Big Bend Unit 4 Continuous Emissions Monitors
4) Big Bend Fuel Oil Tank 1 Upgrade
5) Big Bend Fuel Oil Tank 2 Upgrade
6) Phillips Tank No. 1 Upgrade
7) Phillips Tank No. 4 Upgrade
8) Big Bend Unit 1 Classifier Replacement
9) Big Bend Unit 2 Classifier Replacement
10) Big Bend Section 114 Mercury Testing Platform
11) Big Bend Units 1 and 2 FGD
12) Big Bend FGD Optimization and Utilization
13) Big Bend NO_x Emissions Reduction
14) Big Bend Particulate Matter ("PM") Minimization and Monitoring
15) Polk NO_x Emissions Reduction
16) Big Bend Unit 4 SOFA
17) Big Bend Unit 1 Pre-SCR
18) Big Bend Unit 2 Pre-SCR
19) Big Bend Unit 3 Pre-SCR

20) Big Bend Unit 1 SCR
21) Big Bend Unit 2 SCR
22) Big Bend Unit 3 SCR
23) Big Bend Unit 4 SCR
24) Big Bend FGD Reliability
25) Clean Air Mercury Rule
26) SO_2 Emission Allowances

Some of these projects are described in more detail in the direct testimony of Tampa Electric Witness, Paul Carpinone.

Q. Have you prepared schedules showing the calculation of the recoverable capital project costs for 2010?

A. Yes. Form 42-3P contained in Exhibit No. ___ (HTB-3) summarizes the cost estimates projected for these projects. Form 42-4P, pages 1 through 26, provides the calculations of the costs, which result in recoverable jurisdictional capital costs of $57,223,395.

Q. What are the existing O&M projects included in the calculation of the ECRC factors for 2010?

A. Tampa Electric proposes to include for ECRC recovery the

20 previously approved O&M projects and their projected costs in the calculation of the ECRC factors for 2010. These projects are:

1) Big Bend Unit 3 FGD Integration
2) Big Bend Units 1 and 2 Flue Gas Conditioning
3) SO_2 Emissions Allowances
4) Big Bend Units 1 and 2 FGD
5) Big Bend PM Minimization and Monitoring
6) Big Bend NO_x Emissions Reduction
7) NPDES Annual Surveillance Fees
8) Gannon Thermal Discharge Study
9) Polk NO_x Emissions Reduction
10) Bayside SCR and Ammonia
11) Big Bend Unit 4 SOFA
12) Big Bend Unit 1 Pre-SCR
13) Big Bend Unit 2 Pre-SCR
14) Big Bend Unit 3 Pre-SCR
15) Clean Water Act Section 316(b) Phase II Study
16) Arsenic Groundwater Standard Program
17) Big Bend Unit 4 SCR
18) Big Bend Unit 3 SCR
19) Big Bend Unit 2 SCR
20) Big Bend Unit 1 SCR

Some of these projects are described in more detail in the direct testimony of Tampa Electric Witness, Paul Carpinone.

Q. Have you prepared schedules showing the calculation of the recoverable O&M project costs for 2010?

A. Yes. Form 42-2P contained in Exhibit No. ___ (HTB-3) summarizes the recoverable jurisdictional O&M costs for these projects which total $18,214,920 for 2010.

Q. Do you have a schedule providing the description and progress reports for all environmental compliance activities and projects?

A. Yes. Project descriptions and progress reports, as well as the projected recoverable cost estimates, are provided in Form 42-5P, pages 1 through 31.

Q. What are the total projected jurisdictional costs for environmental compliance in the year 2010?

A. The total jurisdictional O&M and capital expenditures to be recovered through the ECRC are calculated on Form 42-1P. These expenditures total $75,438,315.

Q. How were environmental cost recovery factors calculated?

A. The environmental cost recovery factors were calculated as shown on Schedules 42-6P and 42-7P. The demand allocation factors were calculated by determining the percentage each rate class contributes to the monthly system peaks and then adjusted for losses for each rate class. The energy allocation factors were determined by calculating the percentage that each rate class contributes to total MWH sales and then adjusted for losses for each rate class. This information was based on applying historical rate class load research to the 2010 projected forecast of 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 by rate class for the period of January through December 2010 which Tampa Electric is seeking approval?

A. The computation of the billing factors by metering voltage level is shown in Exhibit No. ____ (HTB-3) Document No. 7, Form 42-7P. In summary, the January through December 2010 proposed ECRC billing factors are as follows:

Rate Class	**Factor by Voltage Level (¢/kWh)**
RS Secondary	0.486
GS, TS Secondary	0.486
GSD, SBF	
Secondary	0.485
Primary	0.480
Transmission	0.475
IS	
Secondary	0.479
Primary	0.474
Transmission	0.469
LS1	0.484
Average Factor	0.485

Q. Please describe the changes to the 2010 ECRC factors related to Tampa Electric's approved rate design in Docket No. 080317-EI.

A. As a result of Tampa Electric's base rate case the Commission approved the consolidation of the company's General Service - Demand ("GSD") and General Service - Large Demand ("GSLD") rate customers into one new GSD rate class. Additionally, the allocation of production demand costs was modified to the 12 Coincident Peak and

25 percent Average Demand to better reflect cost causation. The new Commission approved methodology became effective for meter readings on May 7, 2009.

Q. When does Tampa Electric propose to begin applying these environmental cost recovery factors?

A. The environmental cost recovery factors will be effective concurrent with the first billing cycle for January 2010.

Q. Are the costs Tampa Electric is requesting for recovery through the ECRC for the period January 2010 through December 2010 consistent with criteria established for ECRC recovery in Order No. PSC-94-0044-FOF-EI?

A. Yes. The costs for which ECRC treatment is requested meet the following criteria:

1. Such costs were prudently incurred after April 13, 1993;
2. The activities are legally required to comply with a governmentally imposed environmental regulation enacted, became effective or whose effect was triggered after the company's last test year upon which rates are based; and,

3. Such costs are not recovered through some other cost recovery mechanism or through base rates.

Q. Please summarize your testimony.

A. My testimony supports the approval of a final average environmental billing factor credit of 0.485 cents per kWh. This includes the projected capital and O&M revenue requirements of $75,438,315 associated with a total of 31 environmental projects and a true-up under-recovery provision of $17,392,122 that is primarily driven by the revenue shortfall precipitated by a significant market decline in SO_2 emission allowance prices. My testimony also explains that the projected environmental expenditures for 2010 are appropriate for recovery through the ECRC.

Q. Does this conclude your testimony?

A. Yes, it does.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

PAUL CARPINONE

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

A. My name is Paul Carpinone. My business address is 702 North Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "company") as Director, Environmental Health & Safety in the Environmental Health and Safety Department.

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

A. I received a Bachelor of Science degree in Water Resources Engineering Technology from the Pennsylvania State University in 1978. I have been a Registered Professional Engineer in the State of Florida and Pennsylvania since 1984. Prior to joining Tampa Electric, I worked for Seminole Electric Cooperative as a Civil Engineer in various positions and in environmental consulting. In February 1988, I joined Tampa Electric as a Principal Engineer, and I have primarily worked in the area of Environmental Health and Safety. In 2006, I became Director, Environmental Health and Safety. My responsibilities include the development and administration of the company's environmental, health and safety policies and goals. I am also responsible for ensuring resources, procedures and programs meet or surpass compliance with applicable environmental, health and safety requirements, and that rules and policies are in place and functioning appropriately and consistently throughout the company.

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

A. The purpose of my testimony is to demonstrate that the activities for which Tampa Electric seeks cost recovery through the Environmental Cost Recovery Clause ("ECRC") for the January 2010 through December 2010 projection period are activities necessary for the company to comply with various environmental requirements. Specifically, I will describe the ongoing activities that are associated with the Consent Final Judgment ("CFJ") entered into with the Florida Department of Environmental Protection ("FDEP") and the Consent Decree ("CD") lodged with the U.S. Environmental Protection Agency ("EPA") and the Department of Justice. I will also discuss other programs previously approved by the Commission for recovery through the ECRC as well as the suspension of the Clean Water Act Section 316(b) Phase II Study and the vacatur of the Clean Air Mercury Rule.

Q. Please provide an overview of the ongoing environmental compliance requirements that are the result of the CFJ and the CD ("the Orders").

A. The general ongoing requirements of the Orders provide for further reductions of sulfur dioxide ("SO_2"), particulate matter ("PM") and nitrogen oxides ("NO_x") emissions at Big Bend Station.

Q. What do the Orders require for SO_2 emission reductions?

A. The Orders require Tampa Electric to create a plan for optimizing the availability and removal efficiency of the flue gas desulfurization systems ("FGD" or "scrubbers"). The plans were submitted to the EPA in two phases, and were approved in July 2000, and February 2001, respectively.

Phase I required Tampa Electric to work scrubber outages around the clock and to utilize contract labor, when necessary, to speed the return of a malfunctioning scrubber to service. In addition, Phase I required Tampa Electric to review all critical scrubber spare parts and increase the number and availability of spare parts to ensure a speedy return to service of a malfunctioning scrubber.

Phase II outlined capital projects Tampa Electric was to perform to upgrade each scrubber at Big Bend Station. It also addressed the use of environmental dispatching in the event of a scrubber outage. All of the preliminary SO_2 emission reduction projects have been completed. However, additional work will occur in 2010 associated with the Big Bend Units 1 and 2 FGD and Big Bend FGD System Reliability programs to comply with the elimination of the allowed scrubber outage days for 2010 and 2013.

Q. What do the Orders require for PM emission reductions?

A. The Orders require Tampa Electric to develop and implement a best operational practices ("BOP") study to minimize PM emissions from each electrostatic precipitator ("ESP") and complete and implement a best available control technology ("BACT") analysis of the

ESPs at Big Bend Station. The Orders also require the company to demonstrate the operation of a PM continuous emission monitoring system ("CEM") on Big Bend Units 3 and 4 and demonstrate the operation of a second PM CEM on another Big Bend unit. Pursuant to the Orders, the installation of the second PM CEM was required on or before May 1, 2007, if the first PM CEM had been shown to be feasible and remained in operation and if Tampa Electric advised the EPA that it had elected to continue to combust coal in Big Bend Units 1, 2 and 3. The first PM CEM was installed in February 2002. The installation of the second PM CEM was completed in July 2009 and is the final stages of certification.

Q. Please describe the Big Bend PM Minimization and Monitoring program activities and provide the estimated capital and O&M expenditures for the period of January 2010 through December 2010.

A. The Big Bend PM Minimization and Monitoring program was approved by the Commission in Docket No. 001186-EI, Order No. PSC-00-2104-PAA-EI, issued November 6, 2000. In the Order, the Commission found that the program met the requirements for recovery through the ECRC. Tampa Electric had previously identified various projects to improve precipitator performance and reduce PM emissions as required by the Orders. In 2010, there will be capital expenditures associated with the installation of a replacement PM CEM, O&M expenses associated with existing and recently installed BOP and BACT equipment and continued implementation of the BOP procedures. Moving forward with the replacement PM CEM project can improve generation availability by providing real time PM emissions data. These activities are expected to result in approximately $10,000 of capital and $470,000 of O&M expenses.

Q. What do the Orders require for NO_x reductions?

A. The Orders require Tampa Electric to perform NO_x emission reductions projects on Big Bend Units 1, 2 and 3 and pursuant to an amendment, for Big Bend Unit 4 projects to be substituted for Big Bend Unit 3 projects. The NO_x emission reductions use the 1998 NO_x emissions as the baseline year for determining the level of reduction achieved. Tampa Electric was also required by the Orders to demonstrate innovative technologies or provide additional NO_x technologies beyond those required by the early NO_x emission reduction activities.

Q. Please describe the Big Bend NO_x Emission Reduction program activities and provide the estimated capital and O&M expenses for the period of January 2010 through December 2010.

A. The Big Bend NO_x Emission Reduction program was approved by the Commission in Docket No. 001186-EI, Order No. PSC-00-2104-PAA-EI, issued November 6, 2000. In the Order, the Commission found that the program met the requirements for recovery through the ECRC. In 2010, Tampa Electric will perform maintenance on the previously approved and installed NO_x Reduction equipment. This activity is expected to result in approximately $396,000 of O&M expenses.

Q. Please describe long-term NO_x requirements associated with the Orders and Tampa Electric's efforts to comply with the requirements.

A. The Orders require Big Bend Unit 4 to begin operating with a Selective Catalytic Reduction ("SCR") system or other NO_x control technology, be repowered, or shut down and scheduled for dismantlement by June 1, 2007. Big Bend Units 3, 2 and/or 1 must either begin operating with an SCR system or other NO_x control technology, be repowered, or be shut down and scheduled for dismantlement one unit per year by May 1, 2008, May 1, 2009 and May 1, 2010, respectively.

In order to meet the NO_x emission rates and timing requirements of the Orders, Tampa Electric engaged an experienced consulting firm, Sargent and Lundy, to assist with the performance of a comprehensive study designed to identify the long-range plans for the generating units at Big Bend Station. The results of the study clearly indicated that the option to remain coal-fired at Big Bend Station and install the necessary NO_x reduction technologies is the most cost-effective alternative to satisfy the NO_x emission reductions required by the Orders. This decision was communicated to the EPA and FDEP in August 2004. Tampa Electric also apprised the Commission of this decision in its filing made in Docket No. 040750-EI in August 2004.

Q. Please describe the Big Bend Units 1 through 3 Pre-SCR and the Big Bend Units 1 through 4 SCR projects and provide estimated capital and O&M expenditures for the period of January 2010 through December 2010.

A. In Docket No. 040750-EI, Order No. PSC-04-0986-PAA-EI, issued October 11, 2004, the Commission approved cost recovery of the Big Bend Units 1 through 3 Pre-SCR and the Big Bend Unit 4 SCR projects. The Big Bend Units 1 through 3 SCR projects were approved by the Commission in Docket No. 041376-EI, Order No. PSC-05-0502-PAA-EI, issued May 9, 2005. The purpose of the Pre-SCR technologies is to reduce inlet NO_x concentrations to the SCR systems, thereby mitigating overall SCR capital and O&M costs. These Pre-SCR technologies include neural networks, windbox modifications, secondary air controls and coal/air flow controls. The SCR projects at Big Bend Units 1 through 4 encompass the design, procurement, installation and annual O&M expenses associated with an SCR system for each unit.

The projected costs for the period of January 2010 through December 2010 for which Tampa Electric is seeking ECRC recovery are for the Big Bend Units 1 through 3 Pre-SCR and Big Bend Units 2, 3 and 4 SCR capital and O&M expenditures associated with the engineering, procurement, construction, start-up, tuning, operation and ongoing maintenance for the projects. No capital expenditures are anticipated for Big Bend Units 1 through 3 Pre-SCR for 2010. O&M expenses for Big Bend Units 1 through 3 Pre-SCR projects are $75,000 for Unit 1, $31,000 for Unit 2 and

$31,000 for Unit 3. Big Bend Unit 3 SCR was placed in-service July 2008. Therefore, there are no anticipated capital expenditures for 2010; however, the O&M expenditures for the project are anticipated to be $1,668,100. Big Bend Unit 4 SCR was placed in-service May 2007, therefore there are no anticipated capital expenditures for 2010. The O&M expenses for this project are anticipated to be $778,700. Big Bend Unit 2 SCR was placed in-service June 2009 and will have no anticipated capital costs but O&M costs of $1,668,100 for 2010.

Big Bend Unit 1 SCR is expected to be placed in-service May 2010 and will have anticipated capital costs of $15,830,690 and O&M costs of $1,001,600.

Q. Please identify and describe the other Commission approved programs you will discuss.

A. The programs previously approved by the Commission that I will discuss include:

1) Big Bend Unit 3 FGD Integration
2) Big Bend Units 1 and 2 FGD
3) Gannon Thermal Discharge Study
4) Bayside SCR Consumables

5) Big Bend Unit 4 Separated Over-fired Air ("SOFA")
6) Clean Water Act Section 316(b) Phase II Study
7) Big Bend FGD Reliability
8) Arsenic Groundwater Standard
9) Clean Air Mercury Rule ("CAMR")

Q. Please describe the Big Bend Unit 3 FGD Integration and the Big Bend Units 1 and 2 FGD activities and provide the estimated capital and O&M expenditures for the period of January 2010 through December 2010.

A. The Big Bend Unit 3 FGD Integration program was approved by the Commission in Docket No. 960688-EI, Order No. PSC-96-1048-FOF-EI, issued August 14, 1996. The Big Bend Units 1 and 2 FGD program was approved by the Commission in Docket No. 980693-EI, Order No. PSC-99-0075-FOF-EI, issued January 11, 1999. In those Orders, the Commission found that the programs met the requirements for recovery through the ECRC. The programs were implemented to meet the SO_2 emission requirements of the Phase I and II Clean Air Act Amendments ("CAAA") of 1990.

The projected January 2010 through December 2010, O&M expenses for the Big Bend Unit 3 FGD Integration project are $4,241,800. No capital expenditures are anticipated for this project. The projected capital and O&M expenditures for the Big Bend Units 1 and 2 FGD Integration project for January 2010 through December 2010 are $526,266 and $7,443,300, respectively.

Q. Please describe the Gannon Thermal Discharge Study program activities and provide the estimated capital and O&M expenditures for the period of January 2010 through December 2010.

A. The Gannon Thermal Discharge Study program was approved by the Commission in Docket No. 010593-EI, Order No. PSC-01-1847-PAA-EI, issued September 14, 2001. In that Order, the Commission found that the program met the requirements for recovery through the ECRC. For the period of January 2010 through December 2010, there will be no capital expenditures for this program. Tampa Electric anticipates O&M expenses will be approximately $30,000 for the period.

Q. Please describe the Bayside SCR Consumables program activities and provide the estimated capital and O&M expenditures for the period of January 2010 through December 2010.

A. The Bayside SCR Consumables program was approved by the

Commission in Docket No. 021255-EI, Order No. PSC-03-0469-PAA-EI, issued April 4, 2003. For the period of January 2010 through December 2010, there will be no capital expenditures for this program. Tampa Electric anticipates O&M expenses associated with the consumable goods (primarily anhydrous ammonia) will be approximately $114,000 for the period.

Q. Please describe the Big Bend Unit 4 SOFA program activities and provide the capital and O&M expenditures for the period of January 2010 through December 2010.

A. The Big Bend Unit 4 SOFA program was approved by Commission for ECRC recovery in Docket No. 030226-EI, Order No. PSC-03-0684-PAA-EI, issued June 6, 2003. In that Order, the Commission found that the program met the requirements for recovery through the ECRC contingent upon Big Bend Unit 4 remaining coal fired. On August 19, 2004, Tampa Electric submitted a letter to the EPA declaring the intent for Big Bend Units 1 through 4 to remain coal fired and, as such, complied with the applicable provisions of the CD associated with the decision. The SOFA project was completed in 2004. For the period of January 2010 through December 2010, there will be no capital expenditures for this program. Tampa

Electric anticipates O&M expenses will be approximately $62,000 for the period.

Q. Please describe the Clean Water Act Section 316(b) Phase II Study program activities and provide the estimated capital and O&M expenditures for the period of January 2010 through December 2010.

A. The Clean Water Act Section 316(b) Phase II Study program was approved by the Commission in Docket No. 041300-EI, Order No. PSC-05-0164-PAA-EI, issued February 10, 2005. For the period of January 2010 through December 2010, there will be no capital expenditures for this program. EPA announced on March 20, 2007, that the rule adopted pursuant to Section 316(b) be considered suspended. The suspension of the final rule was made on July 9, 2007. Tampa Electric believes that the work will continue to be useful for purposes related to the Phase II Rule and does not intend to suspend the work because it would not be cost-effective or appropriate to do so. Therefore, Tampa Electric anticipates O&M expenses associated with the sampling and study activities will be approximately $60,000 for the period.

Q. Please describe the Big Bend FGD System Reliability program activities and provide the estimated capital and O&M expenses for the period of January 2010 through December 2010.

A. Tampa Electric's Big Bend FGD System Reliability program was approved by the Commission in Docket No. 050598-EI, Order No. PSC-06-0602-PAA-EI, issued July 10, 2006. The Commission granted cost recovery approval for prudent costs associated with this project. The Big Bend FGD System Reliability project will run concurrently with the installation of SCR systems on the generating units.

For the period of January 2010 through December 2010, the anticipated capital expenditures will be $2,500,000 however, no O&M expenditures are anticipated for this project.

Q. Please describe the Arsenic Groundwater Standard program activities and provide the estimated capital and O&M expenditures for the period of January 2010 through December 2010.

A. The Arsenic Groundwater Standard program was approved by the Commission in Docket No. 050683-EI, Order No. PSC-06-0138-PAA-EI, issued February 23, 2006. In that Order, the

Commission found that the program met the requirements for recovery through the ECRC and granted Tampa Electric cost recovery approval for prudently incurred costs. The new groundwater standard applies to Tampa Electric's H.L. Culbreath Bayside, Big Bend and Polk Power Stations.

For the period of January 2010 through December 2010, there will be no capital expenditures for this program; however, Tampa Electric anticipates O&M expenses associated with the sampling activities will be approximately $50,000.

Q. Please describe the CAMR program activities and provide the estimated capital and O&M expenditures for the period of January 2010 through December 2010.

A. The CAMR program was approved by the Commission in Docket No. 060583-EI, Order No. PSC-06-0926-PAA-EI, issued November 6, 2006. In that Order, the Commission found that the program met the requirements for recovery through the ECRC and granted Tampa Electric cost recovery approval for prudently incurred costs.

On February 8, 2008, the Washington D.C. Circuit Court vacated EPA's rule removing power plants from the Clean

Air Act list of regulated sources of hazardous air pollutants under section 112. At the same time, the Court vacated the Clean Air Mercury Rule. EPA is reviewing the Court's decisions and evaluating its impacts. Currently, the FDEP has begun mercury rulemaking this year that will likely have monitoring requirements comparable to CAMR.

Given the vacatur, capital spending for this program is anticipated to be complete in 2010 with monitoring to commence thereafter, using company resources. For the period of January 2010 through December 2010, the capital expenditures are anticipated to be $20,000 and the O&M expenditures to be $8,000.

Q. What is the impact of the recent vacatur of the CAIR and CAMR rules on Tampa Electric's ECRC projects?

A. The vacatur of CAIR should have minimal impact on Tampa Electric's ECRC projects associated with NO_x and SO_2 abatement. These projects were initiated as a result of the CD signed between EPA and Tampa Electric therefore, the company anticipates continuing its efforts to complete and maintain the projects.

The vacatur of CAMR occurred after Tampa Electric had begun the procurement of equipment necessary to meet the intent of the original rule; however, the company was able to stop a significant portion of the total equipment purchase.

Tampa Electric anticipates a replacement to the CAMR rule to become effective in the near future therefore, during this time of review, the company plans to utilize the resources already secured to establish a baseline of mercury emissions.

Q. Please summarize your testimony.

A. Tampa Electric's settlement agreements with FDEP and EPA require significant reductions in emissions from Tampa Electric's Big Bend and Gannon Stations. The Orders established definite requirements and time frames in which air quality improvements must be made and result in reasonable and fair outcomes for Tampa Electric, its community and customers, and the environmental agencies. My testimony identified projects that are legally required by these Orders. I described the progress Tampa Electric has made to achieve the more stringent environmental standards. I have identified estimated costs, by project, which the company expects to incur in 2010. Additionally, my testimony identified other projects that are required for Tampa Electric to meet the environmental requirements and I provided the associated 2010 activities and projected expenditures.

Q. Does this conclude your testimony?

A. Yes it does.

GULF POWER COMPANY

Before the Florida Public Service Commission
Prepared Direct Testimony and Exhibit of
James O. Vick
Docket No. 090007-EI
April 1, 2009

Q. Please state your name and business address.
A. My name is James O. Vick, and my business address is One Energy Place, Pensacola, Florida, 32520.

Q. By whom are you employed and in what capacity?
A. I am employed by Gulf Power Company as the Director of Environmental Affairs.

Q. Mr. Vick, will you please describe your education and experience?
A. I graduated from Florida State University, Tallahassee, Florida, in 1975 with a Bachelor of Science Degree in Marine Biology. I also hold a Bachelor's Degree in Civil Engineering from the University of South Florida in Tampa, Florida. In addition, I have a Masters of Science Degree in Management from Troy State University, Pensacola, Florida. In August 1978, I joined Gulf Power Company as an Associate Engineer and have since held various engineering positions with increasing responsibilities such as Air Quality Engineer, Senior Environmental Licensing Engineer, and Manager of Environmental Affairs. In 2003, I assumed my present position as Director of Environmental Affairs.

Q. What are your responsibilities with Gulf Power Company?

A. As Director of Environmental Affairs, my primary responsibility is overseeing the activities of the Environmental Affairs area to ensure the Company is, and remains, in compliance with environmental laws and regulations, i.e. both existing laws and such laws and regulations that may be enacted or amended in the future. In performing this function, I am responsible for numerous environmental activities.

Q. Are you the same James O. Vick who has previously testified before this Commission on various environmental matters?

A. Yes.

Q. Mr. Vick, what is the purpose of your testimony?

A. The purpose of my testimony is to support Gulf Power Company's Environmental Cost Recovery Clause (ECRC) final true-up for the period January through December 2008.

Q. Mr. Vick, please compare Gulf's recoverable environmental capital costs included in the final true-up calculation for the period January 2008 through December 2008 with the approved estimated true-up amounts.

A. As reflected in Mr. Dodd's Schedule 6A, the actual recoverable capital costs were $38,775,663 as compared to the estimated true-up total of $38,990,615. This results in a variance of $214,952 or 0.6% below the estimated true-up. I will address one program that contributed to the majority of this variance, the CAIR/CAMR/CAVR Compliance Program.

Q. Please explain the capital variance of (2.8%) or ($197,255) in the CAIR/CAMR/CAVR Compliance Program (Line Item 1.26).

A. The majority of the variance in the CAIR/CAMR/CAVR Compliance Program line item is due to the Smith Selective Non-Catalytic Reduction (SNCR) projects. The projected 2008 expenditures for the Smith SNCR projects were overstated in the 2008 ECRC estimated/actual true-up filing. At the time of the estimated/actual true-up filing, Gulf expected equipment common to both the Smith Unit 1 SNCR and the Smith Unit 2 SNCR to be placed in service during October; however, this equipment was not placed in service until December of 2008.

Q. How do the actual O&M expenses for the period January 2008 to December 2008 compare to the amounts included in the estimated true-up filing?

A. Mr. Dodd's Schedule 4A reflects that Gulf's recoverable environmental O&M expenses for the current period were $14,503,470, as compared to the estimated true-up of $15,216,886. This results in a net variance of $713,416 or 4.7% below the estimated true-up. I will address nine O&M projects and programs that contribute to this variance -- General Water Quality, Environmental Auditing and Assessment, General Solid and Hazardous Waste, Above Ground Storage Tanks, Sodium Injection, SPCC Substation Project, FDEP NO_X Reduction Agreement, CAIR/CAMR/CAVR Compliance Program and SO_2 Allowances.

Q. Please explain the 11.6% variance of $42,391 in General Water Quality (Line Item 1.6).

A. The General Water Quality variance resulted from increased expenses associated with Gulf's surface water sampling program. During 2008, at the request of FDEP, Gulf expanded the scope of the Plant Crist surface water sampling program to include a more detailed thermal study. The Plant Crist NPDES industrial wastewater permit required the plant to develop and implement a thermal evaluation plan, subject to FDEP's review and approval, to determine compliance with Chapter 62 Part 302.520(1), F.A.C.

Q. Please explain the variance of 181.3% or $12,147 in the category Environmental Auditing/Assessment (Line Item 1.10).

A. During 2008, Line Item 1.10 included expenses associated with environmental assessments at the corporate, plant, and district levels. The variance in this line item primarily resulted from an unanticipated audit of Gulf's environmental air testing group.

Q. Please explain the 14.6% variance of $54,557 in Line Item 1.11, General Solid and Hazardous Waste.

A. This line item includes expenses for proper identification, handling, storage, transportation and disposal of solid and hazardous wastes as required by federal and state regulations. The program includes expenses for Gulf's generating and power delivery facilities. The 2008 variance resulted from increased solid and hazardous waste disposal costs associated with several substation and distribution projects. The amount of solid and hazardous waste generated varies from one period to the next.

Q. Please explain the variance of (39.8%) or ($70,738) in the category entitled Above Ground Storage Tanks (Line Item 1.12).

A. Plant Scholz originally planned to take a diesel fuel tank out of service during 2008 to inspect the integrity of the tank bottom. After further evaluation by a certified tank inspector it was determined that an out-of-service inspection was not necessary. Plant Crist storage tank maintenance expenses were also less than originally projected.

Q. Please explain the variance of ($40,640) or (16.4%) in Sodium Injection (Line Item 1.16).

A. The expenses that Gulf incurs for this program are dependent on the quantity and quality of coal burned. During 2008 the need for sodium injection was less than projected because Gulf did not burn as much coal as originally expected.

Q. Please explain the variance of $68,945 in the SPCC Substation Project (Line Item 1.18).

A. Gulf Power's substation oil spill response plan was reviewed and updated during 2008 as required by SPCC regulation, 40 CFR Part 112. The review noted that more detailed site diagrams were needed for numerous substation sites. The original scope of work did not include preparing new site diagrams.

Q. Please explain the (2%) variance of ($73,926) in Line Item 1.19, FDEP NO_X Reduction Agreement.

A. This O&M line item includes the cost of anhydrous ammonia, urea, air monitoring, and general operation and maintenance expenses related to the activities undertaken in connection with the FDEP NO_X Reduction Agreement. The project variance resulted primarily from delaying maintenance expenses associated with the Crist Unit 7 Selective Catalytic Reduction (SCR) system from 2008 to 2009 since the work could be performed more efficiently during the longer outage in February of 2009. This under run was partially offset by an increase in the cost of anhydrous ammonia during the September through November timeframe.

Q. Please explain the 23.3% variance of $110,139 in the CAIR/CAMR/CAVR Compliance Program, Line Item 1.20.

A. The CAIR/CAMR/CAVR Compliance Program (Line Item 1.20) currently includes O&M expenses associated with the Plant Crist scrubber and Clean Air Mercury Rule (CAMR) projects. The variance in this line item is primarily due to incurring termination expenses associated with canceling a piping fabrication contract for the Plant Crist scrubber project and awarding the work to another contractor. This change will result in significant capital project cost savings of approximately $2.7 million. The variance was partially offset by Plant Daniel mercury monitoring expenses being less than anticipated.

Q. Please explain the variance of (11.5%) or ($787,632) in SO_2 Allowances (Line Item 1.20).

A. This variance resulted from Gulf burning less coal in 2008 than originally anticipated. Therefore, Gulf surrendered fewer SO_2 allowances because SO_2 emissions were less than originally projected.

Q. Mr. Vick, does this conclude your testimony?

A. Yes.

GULF POWER COMPANY

Before the Florida Public Service Commission
Prepared Direct Testimony of
James O. Vick
Docket No. 090007-EI
August 3, 2009

Q. Please state your name and business address.
A. My name is James O. Vick and my business address is One Energy Place, Pensacola, Florida, 32520.

Q. By whom are you employed and in what capacity?
A. I am employed by Gulf Power Company as the Director of Environmental Affairs.

Q. Mr. Vick, will you please describe your education and experience?
A. I graduated from Florida State University, Tallahassee, Florida, in 1975 with a Bachelor of Science Degree in Marine Biology. I also hold a Bachelor's Degree in Civil Engineering from the University of South Florida in Tampa, Florida. In addition, I have a Masters of Science Degree in Management from Troy State University, Pensacola, Florida. I joined Gulf Power Company in August 1978 as an Associate Engineer. I have since held various engineering positions with increasing responsibilities such as Air Quality Engineer and Senior Environmental Licensing Engineer. In 2003, I assumed

my present position as Director of Environmental Affairs.

Q. What are your responsibilities with Gulf Power Company?

A. As Director of Environmental Affairs, my primary responsibility is overseeing the activities of the Environmental Affairs section to ensure the Company is, and remains, in compliance with environmental laws and regulations, i.e., both existing laws and such laws and regulations that may be enacted or amended in the future. In performing this function, I am responsible for numerous environmental activities.

Q. Are you the same James O. Vick who has previously testified before this Commission on various environmental matters?

A. Yes.

Q. Mr. Vick, what is the purpose of your testimony?

A. The purpose of my testimony is to support Gulf Power Company's estimated true-up for the period from January 1, 2009 through December 31, 2009. This true-up is based on six months of actual data and six months of estimated data.

Q. Mr. Vick, please compare Gulf's recoverable environmental capital costs included in the estimated true-up calculation for the period January 1, 2009 through December 31, 2009 with approved projected amounts.

A. As reflected in Mr. Dodd's Schedule 6E, the recoverable capital costs approved in the original projection total $45,314,518, as compared to the estimated true-up amount of $46,133,081. This results in a projected variance of $818,563. There are four capital projects and programs that contributed to the majority of this variance: the Crist Water Conservation Program, CAIR/CAMR/CAVR Compliance Program, Annual NOx Allowances and SO_2 Allowances. The variances for these projects are discussed below.

Q. Please explain the $21,361 variance in the Crist Water Conservation Program (Line Item 1.24).

A. This variance is primarily due to timing associated with placing portions of the Crist Water Conservation project in-service. Gulf originally projected that $1.3 million of equipment would be placed in-service during August through December 2009 to connect the Plant Crist scrubber project to the Emerald Coast Utility Authority water system; however, Gulf now expects $7.8 million to be placed in-service during December 2009. The total project cost has not increased.

Q. Please discuss the $61,470 variance in Gulf's CAIR/CAMR/CAVR Compliance Program (Line Item 1.26).

A. The variance in the CAIR/CAMR/CAVR Compliance line item is due primarily to increased costs associated with the Plant Crist scrubber project. Expenditures for the Plant Crist scrubber project increased by approximately $26 million due to an increase in the structural steel and engineering costs as well as increased costs associated with the Crist Unit 7 turbine upgrades.

The original structural steel cost estimate was based on a preliminary design that did not take into account the significant increase in steel required to meet higher wind loading requirements for the coastal region. The final design required approximately 7,000 tons of steel as compared to the original estimate of 3,500 tons. The additional quantity of steel needed also led to an increase in the structural steel erection and foundation costs. Engineering costs increased due to project modifications which were added to the scope of work. Expenditures for the Crist Unit 7 turbine upgrade increased due to adding water induction protection equipment and an oil flush to the scope of work.

Q. Please explain the $780,395 variance in Annual NOx Allowances (Line Item 1.29).

A. This variance is primarily due to timing associated with Gulf's annual NOx allowance purchases as well as an increase in the average cost per allowance. Gulf originally projected the purchase of $18.6 million of allowances in the May through December timeframe; however, Gulf has purchased $20.3 million of allowances between February and July.

Q. Please explain the $149,387 variance in SO_2 Allowances, Line Item 1.31.

A. Gulf's 2008 SO_2 allowance inventory balance and net working capital balance were higher than anticipated because Gulf burned less coal during 2008 than originally projected, as explained in the 2008 Final True-Up filing. As a result, the 2009 SO_2 allowance inventory balance continues to be higher than inventory levels included in the 2009 projection.

Q. How do the estimated/actual O&M expenses compare to the original projection?

A. Mr. Dodd's Schedule 4E reflects that Gulf's recoverable environmental O&M expenses for the current period are now estimated to be $34,067,772 as compared to the original projection of $42,474,697. This will result in a year-end variance of ($8,406,925). There are seven O&M projects and programs that contributed to the majority of this variance which I will discuss: Aboveground Storage Tanks, Sodium Injection, FDEP NOx Reduction Agreement, CAIR/CAMR/CAVR Compliance Program, Annual NOx Allowances, Seasonal NOx Allowances, and SO_2 Allowances.

Q. Please explain the variance of $(33,863) in Above Ground Storage Tanks (Line Item 1.12).

A. Plant Scholz projected approximately $30,000 of storage tank maintenance expenses during 2009 in anticipation of recommended repairs from the fourth quarter 2008 diesel tank inspection. The tank inspection did not note any necessary repairs; therefore, these projected maintenance expenses have been removed from the budget.

Q. Please explain the variance of ($137,159) in Sodium Injection (Line Item 1.16).

A. The expenses that Gulf incurs for this program are dependent on the available coal supply and the necessity for sodium injection. The 2009 projected need for sodium injection is less than what was originally anticipated because Plants Crist and Smith are burning less coal.

Q. Please explain the variance of ($1,726,593) in Line Item 1.19, FDEP NOx Reduction Agreement.

A. The FDEP NOx Reduction Agreement includes the cost of anhydrous ammonia, urea, air monitoring, and general operation and maintenance expenses related to the activities undertaken in connection with the Plant Crist FDEP Agreement for Ozone Attainment. The project variance primarily is a result of using less ammonia and urea than what was originally projected because Plant Crist has been burning less coal.

Q. Please explain the variance of ($3,234,352) in CAIR/CAMR/CAVR Compliance Program, Line Item 1.20.

A. The CAIR/CAMR/CAVR Compliance Program, Line Item 1.20, currently includes O&M expenses associated with the Plant Crist scrubber project, Plant Smith SNCR projects, and Clean Air Mercury Rule projects. The variance in this line item is due to the need for urea and limestone being less than what was originally anticipated. Plant Smith did not begin running the SNCRs until May 2009 and the need for urea injection is expected to be less than originally projected because Plant Smith is burning less coal. The 2009 limestone costs for the Plant Crist scrubber project have decreased based on a reduction in the amount of limestone needed for start-up. In addition, Plant Crist expects to begin receiving limestone later than originally projected.

Q. Please explain the variance of ($1,658,829) in Annual NOx Allowances, Line Item 1.22.

A. Gulf's projected annual NOx allowance needs are less than originally anticipated because Gulf is burning less coal.

Q. Please explain the variance of ($1,190,414) in Seasonal NOx Allowances, Line Item 1.23.

A. Gulf's projected seasonal NOx allowance needs are less than originally anticipated because Gulf is burning less coal.

Q. Please explain the variance of ($492,242) in SO_2 Allowances, Line Item 1.24.

A. Gulf's projected SO_2 allowance needs are less than originally anticipated because Gulf is burning less coal.

Q. Mr. Vick, are there any other O&M project variances that you would like to explain?

A. Yes, the General Solid and Hazardous Waste line item, Line Item 1.11, is projected to have a $63,803 variance. This line item includes expenses for proper identification, handling, storage, transportation and disposal of solid and hazardous wastes as required by federal and state regulations. The solid and hazardous waste variance is primarily related to an increase in the number of transformer oil spills. The Ash Pond Diversion Curtains line item, Line Item 1.14, is projected to have a $203,700 variance based on proposals Gulf received during July 2009.

Q. Does this conclude your testimony?

A. Yes.

GULF POWER COMPANY

Before the Florida Public Service Commission

Prepared Direct Testimony and Exhibit of

James O. Vick

Docket No. 090007-EI

August 28, 2009

Q. Please state your name and business address.

A. My name is James O. Vick, and my business address is One Energy Place, Pensacola, Florida, 32520.

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

A. I am employed by Gulf Power Company as the Director of Environmental Affairs.

Q. Mr. Vick, will you please describe your education and experience?

A. I graduated from Florida State University, Tallahassee, Florida, in 1975 with a Bachelor of Science Degree in Marine Biology. I also hold a Bachelor's Degree in Civil Engineering from the University of South Florida in Tampa, Florida. In addition, I have a Masters of Science Degree in Management from Troy State University, Pensacola, Florida. I joined Gulf Power Company in August 1978 as an Associate Engineer. I have since held various engineering positions with increasing responsibilities such as Air Quality Engineer, Senior Environmental Licensing Engineer, and Manager of Environmental Affairs. In 2003, I assumed my present position as Director of Environmental Affairs.

Q. What are your responsibilities with Gulf Power Company?
A. As Director of Environmental Affairs, my primary responsibility is overseeing the activities of the Environmental Affairs section to ensure the Company is, and remains, in compliance with environmental laws and regulations, i.e., both existing laws and such laws and regulations that may be enacted or amended in the future. In performing this function, I have the responsibility for numerous environmental activities.

Q. Are you the same James O. Vick who has previously testified before this Commission on various environmental matters?
A. Yes.

Q. Mr. Vick, what is the purpose of your testimony?
A. The purpose of my testimony is to support Gulf Power Company's projection of environmental compliance costs recoverable through the Environmental Cost Recovery Clause (ECRC) for the period from January 2010 through December 2010.

Q. Have you prepared an exhibit that contains information to which you will refer in your testimony?
A. Yes, I have. My exhibit includes the following documents:

- Plant Smith Consumptive Use Permit
- Northwest Florida Water Management District (NWFWMD)

correspondence regarding the proposed Smith Reclaimed Water project.

- Federal Register Notice of Agency Information Collection Request dated July 2, 2009 (Vol. 74, No. 126 Pages 31725-31728)

Counsel: We ask that Mr. Vick's' Exhibit consisting of three documents be marked as Exhibit No. ____(JOV-1).

Q. Mr. Vick, please identify the capital projects included in Gulf's ECRC projection filing.

A. The environmental capital projects for which Gulf seeks recovery through the ECRC are described in Schedules 3P, 4P, and 5P. I am supporting the expenditures, clearings, retirements, salvage and cost of removal currently projected for each of these projects and the costs for emission allowances. Mr. Dodd compiled these schedules and has calculated the associated revenue requirements for Gulf's requested recovery. Of the projects shown on Mr. Dodd's schedules, there are four projects that were previously approved by the Commission with expanded activities that have projected capital expenditures during 2010. Two of the projects are related to Gulf's existing Air Quality programs: the Crist 5, 6, & 7 Precipitator Projects and the CAIR/CAMR/CAVR Compliance Program. The Crist Water Conservation project and the Plant NPDES Permit Compliance projects are also projected to have additional capital expenditures during 2010.

Q. Mr. Vick, please describe the project included in the 2010 projection for (Line 1.2) the Crist 5, 6, & 7 Precipitator Projects.

A. The Plant Crist Unit 6 and Unit 7 precipitator upgrades were originally undertaken in the early 1990's and approved for environmental cost recovery in Docket No. 930613-EI. These upgrades were required and continue to be needed to comply with the Clean Air Act Amendments (CAAA) of 1990. During the 2010 recovery period, Plant Crist will begin incurring preliminary engineering and design costs to rebuild portions of the Plant Crist Unit 6 precipitator. Recent inspections of the Crist Unit 6 precipitator have indicated that the internals will need to be replaced by 2013. The 2010 projected expenditures for the Plant Crist Unit 6 precipitator project are $1.1 million.

Q. Mr. Vick, please describe the capital projects included in Gulf's CAIR/CAMR/CAVR Compliance Program (Line Item 1.26) that will impact the 2010 projected ECRC revenue requirements.

A. For the purpose of the 2010 projection of ECRC revenue requirements in Mr. Dodd's testimony, $8.7 million is projected to be cleared to plant-in-service for the CAIR/CAMR/CAVR Compliance Program. This placed-in-service amount includes expenditures that will be made during 2010 as well as previous years. The two capital projects included in the Compliance Program that will impact the 2010 ECRC revenue requirements are the Plant Crist Units 4 through 7 scrubber project ($4.8 million) and the Plant Daniel Unit 1 Low NOx burners ($3.9 million).

Q. Mr. Vick, please provide an update on the Crist Units 4 through 7 scrubber project and describe the projected 2010 expenditures.

A. The Commission approved the Plant Crist Units 4 through 7 scrubber project for ECRC recovery in Order No. PSC-07-0721-S-EI in September 2007. The Crist scrubber project is currently in the final stages of construction and numerous elements of the project have already been placed in-service such as the tractor garage and substation/transmission upgrades. The Crist scrubber is scheduled to become operational during December of 2009 when Crist Units 4 through 7 will be connected to the scrubber. The Plant Crist scrubber costs are projected to be $592 million through December of 2009. Additional expenditures totaling $4.8 million are projected to be placed in-service during 2010 for the scrubber project. These expenditures include costs for the gypsum barges, site restoration, and modifications that may be necessary after start-up.

During 2010 Gulf will incur approximately $14.8 million of expenditures associated with the Crist Unit 7 LP and Crist Unit 6 HP/IP turbine upgrades that will be placed in-service after 2010. As a remaining part of the scrubber project these expenditures continue to qualify for Allowance for Funds Used During Construction (AFUDC) treatment; therefore these remaining expenditures will not impact the ECRC factor until the projects are placed in service after 2010. A phased approach for the turbine upgrades has been adopted due to parts availability and the outage schedule.

Q. Mr. Vick, please discuss any changes to the projected Plant Crist scrubber costs since Gulf's April 2009 Environmental Compliance Program Update.

A. The total budget for the Plant Crist scrubber project has increased by approximately $40 million since Gulf's April 2009 Environmental Compliance Program update. As explained in Gulf's Estimated True-Up filing, projected expenditures for the Plant Crist scrubber project increased by approximately $26 million due to an increase in the structural steel and engineering costs as well as increased costs associated with the Crist Unit 7 turbine upgrades. Approximately $23 million of the cost increase is due to the need to upgrade the Plant Crist Unit 6 HP/IP turbine to further offset increased station service due to the scrubber installation. These increases are projected to be partially offset by various budget reductions in other aspects of the scrubber project.

Q. Please address the projected 2010 capital expenditures for the Plant Daniel Low NOx burners project under Gulf's approved CAIR/CAMR/CAVR Compliance Program.

A. Gulf is a co-owner of Plant Daniel Units 1 and 2 with Mississippi Power Company. Low NOx burners for Plant Daniel Units 1 and 2 were included in Gulf's original CAIR/CAMR/CAVR Compliance Program that was approved by the Commission in Order No. PSC-07-0721-S-EI. The Daniel Unit 2 Low NOx burners were installed during 2008. The Daniel Unit 1 Low NOx burner project that was originally scheduled to be placed in-service during 2009 was delayed, pending the outcome of the CAIR court decision. Now that the CAIR rule has been remanded to EPA and remains in effect, the Daniel Unit 1 Low NOx burner project has been rescheduled to be placed in-service during June 2010. The 2010 projected capital expenditures for this project are approximately $2.4 million.

Q. Mr. Vick, please discuss the previously approved Plant Crist Unit 6 SCR and Plant Daniel Scrubber projects that are included in Gulf's CAIR/CAMR/CAVR Compliance Program.

A. Gulf will be moving forward with engineering and design for the Plant Crist Unit 6 SCR and the Daniel Units 1 and 2 scrubber during 2010. As discussed in Gulf's *April 2009 Environmental Compliance Program Update*, the retrofit of Plant Crist Unit 6 and Plant Daniel Units 1 and 2 with an SCR and a single flue gas desulphurization scrubber, respectively, are the best options for compliance with CAIR, CAVR, and the ozone ambient air quality standard. Capital expenditures for these projects will not impact the 2010 ECRC factor because both projects qualify for AFUDC treatment. As portions of the project are cleared to plant in *service they will be included in ECRC.*

Q. Mr. Vick, please describe the 2010 projected expenditures for the Crist Water Conservation program (Line Item 1.24).

A. The Crist Water Conservation program is part of Gulf's water conservation and consumptive use efficiency program required by the Plant Crist consumptive water use permit. Plant Crist's consumptive use permit, issued by the Northwest Florida Water Management District (NWFWMD), requires the plant to implement measures to increase water conservation and efficiency at the facility. Gulf Power has entered into an agreement with Emerald Coast Utilities Authority (ECUA) to utilize reclaimed water from its proposed wastewater treatment plant. The reclaimed water will be used as makeup water for the Plant Crist scrubber project and the Plant Crist Units 6 and 7 cooling towers. Gulf expects $7.8 million of equipment to be placed in-service during December of 2009. Expenditures totaling $8.7 million are projected for portions of the Plant Crist water conservation project that will be placed in-service during 2010.

Q. Mr. Vick, please describe the 2010 projected expenditures for the Plant NPDES Permit Compliance Projects (Line 1.25).

A. The Plant NPDES Compliance program encompasses projects necessary to meet more stringent water quality standards required by Gulf's NPDES industrial wastewater permits. As has been discussed in previous testimony, the water quality-based copper effluent limitations included in Chapter 62 Part 302, Florida Administrative Code, became effective in May of 2002. The more stringent hardness-based standard is included by reference in the Plant Crist NPDES industrial wastewater permit.

Surface water studies were conducted from 2003 through 2005 to determine the source of aqueous copper in the effluent. The results of the study concluded that the Crist Unit 6 condenser was the main source of the incremental copper in the Plant Crist discharge. The condenser tubes were replaced with stainless steel condenser tubes during 2006 in an effort to meet the revised water quality standards. Although Plant Crist eliminated the Unit 6 condenser tubes as the main source of aqueous copper in the discharge, the plant has continued to encounter problems meeting the copper water quality standard. An additional study was conducted during 2008 that recommended including chemical treatment and/or aeration of either the oil skimmer pond or ash pond to further reduce copper concentrations. During 2008 Plant Crist completed the first phase of the project which involved installing a chemical treatment system in the ash pond. For 2010, Gulf expects to incur approximately $50,000 of expenditures for the second phase of the project that includes installing an aeration system in the ash pond.

Q. Mr. Vick, please describe the project included in the 2010 projection entitled Smith Reclaimed Water Project for which Gulf is seeking cost recovery through the ECRC.

A. The Smith Reclaimed Water Project is part of the Smith Water Conservation and consumptive use efficiency program (Line Item 1.17) required by the Plant Smith consumptive water use permit. Specific Condition nine of Plant Smith's consumptive use permit, issued by the NWFWMD, requires the plant to implement measures to increase water conservation and efficiency at the facility. Utilizing reclaimed water would increase groundwater and surface water conservation as required in the consumptive use permit. On October 20, 2008, the NWFWMD issued a letter stating that re-use of reclaimed water clearly meets the requirements listed in Specific Condition nine of the permit. The Plant Smith consumptive use permit and correspondence from the NWFWMD regarding the Smith Reclaimed Water project is included in my Exhibit, JOV-1.

Gulf is currently investigating the feasibility of utilizing reclaimed water at Plant Smith in Bay County, FL. Gulf has begun initial discussions with several potential reclaimed water suppliers in the Bay County area. The design portion of the project will begin after the preliminary investigation and feasibility study is complete. Feasibility will be based on which domestic wastewater treatment facilities agree to participate in the water use project and how the project will be permitted.

Gulf has incurred approximately $62,000 of preliminary investigation expenses to evaluate utilizing reclaimed water in the existing Plant Smith Unit 3 cooling tower which would reduce surface water consumption by 5 to 6 million gallons per day. The project expenses have been and will continue to be booked to a preliminary investigation account until Gulf determines whether or not it is able to move forward with the project. If it is feasible to move forward with the project, approximately $1.5 million is projected to be incurred for engineering and design of the infrastructure required to re-use this beneficial water source.

Q. Mr. Vick, are you including the purchase of allowances in your 2010 projection filing?

A. Yes. We currently have forward contracts in place to purchase annual NOx allowances and are also projecting the need to purchase additional seasonal NOx allowances during 2010. Gulf's compliance strategy continues to include forward contracts, swaps, and spot market purchases of allowances depending on market prices.

Q. Please compare the Environmental Operation and Maintenance (O&M) activities listed on Schedule 2P of Mr. Dodd's Exhibit to the O&M activities approved for cost recovery in past ECRC proceedings.

A. All of the O&M activities listed on Schedule 2P have been approved for recovery through the ECRC in past proceedings, except for one new activity. The Maximum Achievable Control Technology (MACT) Information Collection Request (ICR) (Line Item 1.21) is being included in the ECRC O&M projection for the first time.

Q. Mr. Vick, please describe EPA's Maximum Achievable Control Technology (MACT) Information Collection Request (ICR).

A. EPA recently proposed an extensive Information Collection Request (ICR) in the Federal Register for coal- and oil-fired steam electric generating units to support Maximum Achievable Controi Technology (MACT) rulemaking under section 112 of the Clean Air Act (CAA). EPA is currently accepting comments on this proposal and is expected to finalize the ICR in January 2010. The ICR will require submission of information on control equipment efficiencies, emissions, capital and O&M costs, and fuel data for all coal and oil-fired generating units greater than 25 MW. The proposed ICR also requires each of Gulf's facilities to conduct a broad range of emissions testing. The 2010 cost for this program is projected to be $541,000. The Federal Register Notice of Agency Information Collection Request is included in my Exhibit, JOV-1.

Q. Please describe the O&M activities included in the air quality category that have projected expenses during 2010.

A. There are five O&M activities included in the air quality category that have projected expenses in 2010. On Schedule 2P, Air Emission Fees (Line Item 1.2), represents the expenses projected for the annual fees required by the CAAA that are payable to the FDEP and Mississippi Department of Environmental Quality. The expenses projected for the 2010 recovery period total $916,374.

Included in the air quality category, Title V (Line Item 1.3) represents projected expenses associated with implementation of the Title V permits. The total 2010 estimated expenses for the Title V Program are $126,436.

On Schedule 2P, Asbestos Fees (Line Item 1.4) consists of the fees required to be paid to the FDEP for asbestos abatement projects. The expenses projected for the recovery period total $2,600.

Emission Monitoring (Line Item 1.5) on Schedule 2P reflects an ongoing O&M expense associated with the Continuous Emission Monitoring equipment as required by the CAAA. These expenses are incurred in response to EPA's requirements that the Company perform Quality Assurance/Quality Control (QA/QC) testing for the Continuous Emission Monitoring systems (CEMs), including Relative Accuracy Test Audits (RATAs) and Linearity Tests. The expenses expected to be incurred during the 2010 recovery period for these activities total $559,914.

The FDEP NOx Reduction Agreement (Line Item 1.19) includes

O&M costs associated with the Plant Crist Unit 7 SCR and the Crist Units 4 through 6 SNCR projects that were included as part of the 2002 agreement with FDEP. This line item includes the cost of anhydrous ammonia, urea, air monitoring, and general operation and maintenance expenses related to the activities undertaken in connection with the agreement. Gulf was granted approval for recovery of the costs incurred to complete these activities in FPSC Order No. PSC-02-1396-PAA-EI in Docket No. 020943-EI. The projected expenses for the 2010 recovery period total $2,647,500.

Q. What O&M activities are included in water quality category?

A. The first activity, General Water Quality (Line Item 1.6), identified in Schedule 2P, includes costs associated with Soil Contamination Studies, Dechlorination, Groundwater Monitoring Plan Revisions, Surface Water Studies, the Cooling Water Intake Program, and the Impaired Waters Rule. The expenses expected to be incurred during the projection period for this line item total $441,707.

The second activity listed in the water quality category, Groundwater Contamination Investigation (Line Item 1.7), was previously approved for environmental cost recovery in Docket No. 930613-EI. This line item includes expenses related to substation investigation and remediation activities. Gulf has projected $1,630,452 of expenses for this line item during the 2010 recovery period.

Line Item 1.8, State NPDES Administration, was previously approved for recovery in the ECRC and reflects expenses associated with

NPDES annual and permit renewal fees for Gulf's three generating facilities in Florida. These expenses are expected to be $42,000 during the projected recovery period.

Finally, Line Item 1.9, Lead and Copper Rule, was also previously approved for ECRC recovery and reflects sampling, analytical and chemical costs related to the lead and copper drinking water quality standards. These expenses are expected to total $21,000 during the 2010 projection period.

Q. *What activities are included in the environmental affairs administration Category?*

A. Only one O&M activity is included in this category on Schedule 2P (Line Item 1.10) of Mr. Dodd's exhibit. This line item refers to the Company's Environmental Audit/Assessment function. This program is an on-going compliance activity previously approved for ECRC recovery. Expenses totaling $12,000 are expected during the 2010 recovery period.

Q. What O&M activities are included in the general solid and hazardous waste category?

A. This solid and hazardous waste activity involves the proper identification, handling, storage, transportation and disposal of solid and hazardous wastes as required by federal and state regulations. The program includes expenses for Gulf's generating and power delivery facilities. This program is a previously approved program that is projected to incur incremental expenses totaling $558,133 in 2010.

Q. In addition to the four major O&M categories listed above, are there any other O&M activities which have been approved for recovery that have projected expenses?

A. Yes. There are four other O&M activities that have been approved in past proceedings which have projected expenses during 2010. They are the Above Ground Storage Tanks program, the Sodium Injection System, the CAIR/CAMR/CAVR Compliance Program, and Emission Allowances.

Q. What O&M activities are included in the Above Ground Storage Tanks line item?

A. Above Ground Storage Tanks (Line Item 1.12) includes maintenance activities and fees required by Florida's above ground storage tank regulation, Chapter 62 Part 762, F.A.C. Expenses totaling $98,387 are projected to be incurred during 2010.

Q. What activity is included in the Sodium Injection line item?

A. The Sodium Injection System (Line Item 1.16) was originally approved for inclusion in the ECRC in Order No. PSC-99-1954-PAA-EI. The activities in this line item involve sodium injection to the coal supply that enhances precipitator efficiencies when burning certain low sulfur coals at Plant Crist and Plant Smith. The expenses projected for the 2010 recovery period total $242,989.

Q. What activities are included in the CAIR/CAMR/CAVR Compliance Program (Line Item 1.20) activity?

A. The CAIR/CAMR/CAVR Compliance Program (Line Item 1.20) currently includes O&M expenses associated with the Crist Units 4 through 7 scrubber, the Smith Units 1 and 2 SNCRs, and the Scholz mercury monitoring project. All of these projects were included as part of the CAIR/CAMR/CAVR Compliance Program approved by the Commission in FPSC Order No. PSC-07-0721-S-EI. More specifically, this line item includes the cost of urea, limestone, and general operation and maintenance activities included in Gulf's CAIR/CAMR/CAVR Compliance Program. The projected 2010 expenses for the CAIR/CAMR/CAVR Compliance Program total approximately $20.7 million which includes $13.8 million for limestone costs associated with operation of the Plant Crist scrubber.

Q. Please describe the emission allowances line items 1.23 through 1.25.

A. These line items include projected allowance expenses for Gulf's generation. Line Items 1.23 and 1.24 include projected expenses for annual and seasonal NOx allowances of approximately $8.4 and $0.4 million, respectively. Line Item 1.25 includes approximately $2.8 million of projected expenses for SO_2 allowances expected to be incurred during 2010 for both CAIR and Acid Rain compliance.

Q. Do each of the capital projects and O&M activities that have projected costs in 2010 meet the ECRC statutory guidelines?

A. Yes. The projects included in Gulf's 2010 ECRC projection filing meet the requirements of the ECRC statute and are consistent with the Commission's precedents regarding environmental cost recovery. Each of the capital projects and O&M activities set forth on Mr. Dodd's schedules include only prudent costs that are not recovered through some other cost recovery mechanism or base rates. The projected environmental costs are necessary to achieve and/or maintain compliance with environmental laws, rules, and regulations.

Q. Mr. Vick, does this conclude your testimony?

A. Yes.

GULF POWER COMPANY
Before the Florida Public Service Commission
Direct Testimony and Exhibit of
Richard W. Dodd
Docket No. 090007-EI
Date of Filing: April 1, 2009

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

A. My name is Richard Dodd. My business address is One Energy Place, Pensacola, Florida 32520-0780. I am the Supervisor of Rates and Regulatory Matters at Gulf Power Company.

Q. Please briefly describe your educational background and business experience.

A. I graduated from the University of West Florida in Pensacola, Florida in 1991 with a Bachelor of Arts Degree in Accounting. I also received a Bachelor of Science Degree in Finance in 1998 from the University of West Florida. I joined Gulf Power in 1987 as a Co-op Accountant and worked in various areas until I joined the Rates and Regulatory Matters area in 1990. After spending one year in the Financial Planning area, I transferred to Georgia Power Company in 1994 where I worked in the Regulatory Accounting department and in 1997 I transferred to Mississippi Power Company where I worked in the Rate and Regulation Planning department for six years followed by one year in Financial Planning. In 2004 I returned to Gulf Power Company working in the General Accounting area as Internal Controls Coordinator.

In 2007 I was promoted to Internal Controls Supervisor and in July 2008, I assumed my current position in the Rates and Regulatory Matters area.

My responsibilities include supervision of: tariff administration, cost of service activities, calculation of cost recovery factors, and the regulatory filing function of the Rates and Regulatory Matters Department.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present the final true-up amount for the period January 2008 through December 2008 for the Environmental Cost Recovery Clause (ECRC).

Q. Have you prepared an exhibit that contains information to which you will refer in your testimony?

A. Yes, I have.

Counsel: We ask that Mr. Dodd's exhibit consisting of eight schedules be marked as Exhibit No. _____(RWD-1).

Q. Are you familiar with the ECRC true-up calculation for the period January through December 2008 set forth in your exhibit?

A. Yes. These documents were prepared under my supervision.

Q. Have you verified that to the best of your knowledge and belief the information contained in these documents is correct?
A. Yes.

Q. What is the amount to be refunded or collected in the recovery period beginning January 2010?
A. An amount to be refunded of $1,381,411 was calculated, which is reflected on line 3 of Schedule 1A of my exhibit.

Q. How was this amount calculated?
A. The $1,381,411 to be refunded was calculated by taking the difference between the estimated January 2008 through December 2008 under-recovery of $2,810,290 as approved in FPSC Order No. PSC-08-0775-FOF-EI, dated November 24, 2008, and the actual under-recovery of $1,428,879, which is the sum of lines 5 and 6 on Schedule 2A of my exhibit.

Q. Please describe Schedules 2A and 3A of your exhibit.
A. Schedule 2A shows the calculation of the actual under-recovery of environmental costs for the period January 2008 through December 2008. Schedule 3A of my exhibit is the calculation of the interest provision on the average true-up balance. This is the same method of calculating interest that is used in the Fuel Cost Recovery and Purchased Power Capacity Cost Recovery clauses.

Q. Please describe Schedules 4A and 5A of your exhibit.

A. Schedule 4A compares the actual O&M expenses for the period January 2008 through December 2008 with the estimated/actual O&M expenses approved in conjunction with the November 2008 hearing. Schedule 5A shows the monthly O&M expenses by activity, along with the calculation of jurisdictional O&M expenses for the recovery period. Emission allowance expenses and the amortization of gains on emission allowances are included with O&M expenses. Mr. Vick describes the main reasons for the variances in O&M expenses in his final true-up testimony.

Q. *Please describe Schedules 6A and 7A of your exhibit.*

A. Schedule 6A for the period January 2008 through December 2008 compares the actual recoverable costs related to investment with the estimated/actual amount approved in conjunction with the November 2008 hearing. The recoverable costs include the return on investment, depreciation and amortization expense, dismantlement accrual, and property taxes associated with each environmental capital project for the recovery period. Recoverable costs also include a return on working capital associated with emission allowances. Schedule 7A provides the monthly recoverable costs associated with each project, along with the calculation of the jurisdictional recoverable costs. Mr. Vick describes any major variances in recoverable costs related to environmental investment for this period in his final true-up testimony.

Q. Please describe Schedule 8A of your exhibit.

A. Schedule 8A includes 31 pages that provide the monthly calculations of the recoverable costs associated with each approved capital project for the recovery period. As I stated earlier, these costs include return on investment, depreciation and amortization expense, dismantlement accrual, property taxes, and the cost of emission allowances. Pages 1 through 27 of Schedule 8A show the investment and associated costs related to capital projects, while pages 28-31 show the investment and costs related to emission allowances.

Q. Mr. Dodd, *does this conclude your testimony*?

A. Yes.

GULF POWER COMPANY

Before the Florida Public Service Commission
Direct Testimony and Exhibit of
Richard W. Dodd
Docket No. 090007-EI
Date of Filing: August 3, 2009

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

A. My name is Richard W. Dodd. My business address is One Energy Place, Pensacola, Florida 32520-0780. I am the Supervisor of Rates and Regulatory Matters at Gulf Power Company.

Q. Please briefly describe your educational background and business experience.

A. I graduated from the University of West Florida in Pensacola, Florida in 1991 with a Bachelor of Arts Degree in Accounting. I also received a Bachelor of Science Degree in Finance in 1998 from the University of West Florida. I joined Gulf Power in 1987 as a Co-op Accountant and worked in various areas until I joined the Rates and Regulatory Matters area in 1990. After spending one year in the Financial Planning area, I transferred to Georgia Power Company in 1994 where I worked in the Regulatory Accounting department and in 1997 I transferred to Mississippi Power Company where I worked in the Rate and Regulation Planning department for six years followed by one year in Financial Planning. In 2004 I returned to Gulf Power Company working in the General Accounting area as Internal Controls Coordinator.

In 2007 I was promoted to Internal Controls Supervisor and in July 2008, I assumed my current position in the Rates and Regulatory Matters area.

My responsibilities include supervision of: tariff administration, cost of service activities, calculation of cost recovery factors, and the regulatory filing function of the Rates and Regulatory Matters Department.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present the estimated true-up amount for the period January 2009 through December 2009 for the Environmental Cost Recovery Clause (ECRC).

Q. Have you prepared an exhibit that contains information to which you will refer in your testimony?

A. Yes, I have. My exhibit consists of eight schedules, each of which was prepared under my direction, supervision, or review.

Counsel: We ask that Mr. Dodd's Exhibit consisting of eight schedules be marked as Exhibit No. _____(RWD-2).

Q. Have you verified that to the best of your knowledge and belief the information contained in these documents is correct?

A. Yes, I have.

Q. What has Gulf calculated as the estimated true-up for the January 2009 through December 2009 period to be refunded or collected in the period January 2010 through December 2010?

A. The estimated true-up for the current period is an over-recovery of $405,127 as shown on Schedule 1E. This is based on six months of actual data and six months of estimated data. This amount will be added to the 2008 final true-up over-recovery amount of $1,381,411 (see Schedule 1A to Gulf's testimony filed April 1, 2009). The sum of $1,786,538 will be refunded to customers during the January 2010 through December 2010 period. The detailed calculations supporting the estimated true-up for 2009 are contained in Schedules 2E through 8E.

Q. Please describe Schedules 2E and 3E of your exhibit.

A. Schedule 2E shows the calculation of the estimated over-recovery of environmental costs for the period January 2009 through December 2009. Schedule 3E of my exhibit is the calculation of the interest provision on the average true-up balance. This is the same method of calculating interest that is used in the Fuel Cost Recovery and Purchased Power Capacity Cost Recovery clauses.

Q. Please describe Schedules 4E and 5E of your exhibit.

A. Schedule 4E compares the estimated/actual O & M expenses for the period January 2009 through December 2009 to the projected O & M expenses approved by the Commission in conjunction with the November 2008 hearing. Schedule 5E shows the monthly O & M expenses by activity, along with the calculation of jurisdictional O & M expenses for the current recovery period. Per the Staff's request, emission allowance expenses and the amortization of gains on emission allowances are included with O & M expenses. Mr. Vick describes the main reasons for the expected variances in O & M expenses in his true-up testimony.

Q. Please describe Schedules 6E and 7E of your exhibit.

A. Schedule 6E for the period January 2009 through December 2009 compares the estimated/actual recoverable costs related to investment to the projected amount approved in conjunction with the November 2008 hearing. The recoverable costs include the return on investment, depreciation and amortization expense, dismantlement accrual, and property taxes associated with each environmental capital project for the current recovery period. Recoverable costs also include a return on working capital associated with emission allowances. Schedule 7E provides the monthly recoverable revenue requirements associated with each project, along with the calculation of the jurisdictional recoverable revenue requirements. Mr. Vick describes the major variances in recoverable costs related to environmental investment for this estimated true-up period in his testimony.

Q. Please describe Schedule 8E of your exhibit.

A. Schedule 8E includes 31 pages that provide the monthly calculations of recoverable costs associated with each approved capital investment for the current recovery period. As I stated earlier, these costs include return on investment, depreciation and amortization expense, dismantlement accrual, property taxes, and the return on working capital associated with emission allowances. Pages 1 through 27 of Schedule 8E show the investment and associated costs related to capital projects, while pages 28 through 31 show the investment and return related to emission allowances.

Q. What capital structure and return on equity were used to develop the rate of return used to calculate the revenue requirements?

A. Consistent with Commission policy, the capital structure used in calculating the rate of return for recovery clause purposes is based on the capital structure approved in Gulf's last completed rate case. The rate of return for the ECRC is based on the capital structure approved in Docket No. 010949-EI, FPSC Order No. PSC-02-0787-FOF-EI dated June 10, 2002. The rate of return used to calculate ECRC revenue requirements includes a return on equity of 12.0% for the period January 1, 2009 through December 31, 2009.

Q. Mr. Dodd, does this conclude your testimony?

A. Yes.

Gulf Power Company

Before the Florida Public Service Commission
Direct Testimony and Exhibit of
Richard W. Dodd
Docket No. 090007-EI
Date of Filing August 28, 2009

Q. Will you please state your name, business address, employer and position?

A. My name is Richard W. Dodd. My business address is One Energy Place, Pensacola, Florida 32520-0780. I am the Supervisor of Rates and Regulatory Matters at Gulf Power Company.

Q. Please briefly describe your educational background and business experience.

A. I graduated from the University of West Florida in Pensacola, Florida in 1991 with a Bachelor of Arts Degree in Accounting. I also received a Bachelor of Science Degree in Finance in 1998 from the University of West Florida. I joined Gulf Power in 1987 as a Co-op Accountant and worked in various areas until I joined the Rates and Regulatory Matters area in 1990. After spending one year in the Financial Planning area, I transferred to Georgia Power Company in 1994 where I worked in the Regulatory Accounting department and in 1997 I transferred to Mississippi Power Company where I worked in the Rate and Regulation Planning department for six years followed by one year in Financial Planning. In 2004 I returned to Gulf Power Company working in the General Accounting area as Internal Controls Coordinator.

In 2007 I was promoted to Internal Controls Supervisor and in July 2008, I assumed my current position in the Rates and Regulatory Matters area.

My responsibilities include supervision of: tariff administration, cost of service activities, calculation of cost recovery factors, and the regulatory filing function of the Rates and Regulatory Matters Department.

Q. Have you previously filed testimony before the Commission in the connection with Gulf's Environmental Cost Recovery Clause (ECRC)?

A. Yes, I have.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present both the calculation of the revenue requirements and the development of the environmental cost recovery factors for the period of January 2010 through December 2010.

Q. Have you prepared an exhibit that contains information to which you will refer in your testimony?

A. Yes, I have. My exhibit consists of 7 schedules, each of which was prepared under my direction, supervision, or review.

Counsel: We ask that Mr. Dodd's exhibit consisting of 7 schedules be marked as Exhibit No. _____ (RWD-3).

Q. What environmental costs is Gulf requesting for recovery through the Environmental Cost Recovery Clause?

A. As discussed in the testimony of J. O. Vick, Gulf is requesting recovery for certain environmental compliance operating expenses and capital costs that are consistent with both the decision of the Commission in Order No. PSC-94-0044-FOF-EI in Docket No. 930613-EI and with past proceedings in this ongoing recovery docket. The costs we have identified for recovery through the ECRC are not currently being recovered through base rates or any other cost recovery mechanism.

Q. How was the amount of projected O&M expenses to be recovered through the ECRC calculated?

A. Mr. Vick has provided me with projected recoverable O&M expenses for January 2010 through December 2010. Schedule 2P of my exhibit shows the calculation of the recoverable O&M expenses broken down between demand-related and energy-related expenses. Also, Schedule 2P provides the appropriate jurisdictional factors and amounts related to these expenses. All O&M expenses associated with compliance with the Clean Air Act Amendments of 1990 (CAAA) were considered to be energy-related, consistent with Commission Order No. PSC-94-0044-FOF-EI. O&M expenses associated with Gulf's Clean Air Interstate Rule (CAIR), Clean Air Mercury Rule (CAMR), and Clean Air Visibility Rule (CAVR) Compliance Program were considered to be energy-related pursuant to FPSC Order No. PSC-06-0972-FOF-EI issued November 22, 2006. The remaining expenses were broken down between demand and energy consistent with Gulf's last approved cost-of-service methodology in Docket No. 010949-EI.

Q. Please describe Schedules 3P and 4P of your exhibit.

A. Schedule 3P summarizes the monthly recoverable revenue requirements associated with each capital investment project for the recovery period. Schedule 4P shows the detailed calculation of the revenue requirements associated with each investment project. These schedules also include the calculation of the jurisdictional amount of recoverable revenue requirements. Mr. Vick has provided me with the expenditures, clearings, retirements, salvage, and cost of removal related to each capital project and the monthly costs for emission allowances. From that information, I calculated plant-in-service and construction work in progress (non interest bearing). Depreciation, amortization and dismantlement expense and the associated accumulated depreciation balances were calculated based on Gulf's approved depreciation rates, amortization periods, and dismantlement accruals. The capital projects identified for recovery through the ECRC are those environmental projects which were not included in the approved June 2002 through May 2003 test year on which present base rates were set.

Q. How was the amount of property taxes to be recovered through the ECRC derived?

A. Property taxes were calculated by applying the applicable tax rate to taxable investment. In Florida, pollution control facilities are taxed based only on their salvage value. For the recoverable environmental investment located in Florida, the amount of property taxes is estimated to be $0. In Mississippi, there is no such reduction in property taxes for pollution control facilities. Therefore, property taxes related to recoverable environmental investment at Plant Daniel are calculated by applying the applicable millage rate to the assessed value of the property.

Q. What capital structure and return on equity were used to develop the rate of return used to calculate the revenue requirements?

A. The rate of return used is based on Gulf's capital structure approved in Gulf's last rate case, Docket No. 010949-EI, Order No. PSC-02-0787-FOF-EI, dated June 10, 2002. This rate of return incorporates a return on equity of 12.0 percent.

Q. How was the breakdown between demand-related and energy-related investment costs determined?

A. The investment costs associated with compliance with the CAAA were considered to be energy-related consistent with Commission Order No. PSC-94-0044-FOF-EI, dated January 12, 1994, in Docket No. 930613-EI. The investment costs associated with Gulf's CAIR, CAMR, and CAVR Compliance Program were considered to be energy-related pursuant to FPSC Order No. PSC-06-0972-FOF-EI issued November 22, 2006. The remaining investment costs of environmental compliance were allocated 12/13th based on demand and 1/13th based on energy, consistent with Gulf's last cost-of-service study. The calculation of this breakdown is shown on Schedule 4P and summarized on Schedule 3P.

Q. What is the total amount of projected recoverable costs related to the period January 2010 through December 2010?

A. The total projected jurisdictional recoverable costs for the period January 2010 through December 2010 is $155,938,965 as shown on line 1c of Schedule 1P. This includes costs related to O&M activities of $38,833,311 and costs related to capital projects of $117,105,654 as shown on lines 1a and 1b of Schedule 1P.

Q. What is the total recoverable revenue requirement to be recovered in the projection period January 2010 through December 2010 and how was it allocated to each rate class?

A. The total recoverable revenue requirement including revenue taxes is $154,263,417 for the period January 2010 through December 2010 as shown on line 5 of Schedule 1P. This amount includes the recoverable costs related to the projection period and the total true-up cost of $1,786,538 to be refunded. Schedule 1P also summarizes the energy and demand components of the requested revenue requirement. I allocated these amounts by rate class using the appropriate energy and demand allocators as shown on Schedules 6P and 7P.

Q. How were the allocation factors calculated for use in the Environmental Cost Recovery Clause?

A. The demand allocation factors used in the ECRC were calculated using the 2006 load data filed with the Commission in accordance with FPSC

Rule 25-6.0437. The energy allocation factors were calculated based on projected KWH sales for the period adjusted for losses. The calculation of the allocation factors for the period is shown in columns 1 through 9 on Schedule 6P.

Q. How were these factors applied to allocate the requested recovery amount properly to the rate classes?

A. As I described earlier in my testimony, Schedule 1P summarizes the energy and demand portions of the total requested revenue requirement. The energy-related recoverable revenue requirement of $146,835,101 for the period January 2010 through December 2010 was allocated using the energy allocator, as shown in column 3 on Schedule 7P. The demand-related recoverable revenue requirement of $7,428,316 for the period January 2010 through December 2010 was allocated using the demand allocator, as shown in column 4 on Schedule 7P. The energy-related and demand-related recoverable revenue requirements are added together to derive the total amount assigned to each rate class, as shown in column 5.

Q. What is the monthly amount related to environmental costs recovered through this factor that will be included on a residential customer's bill for 1,000 kwh?

A. The environmental costs recovered through the clause from the residential customer who uses 1,000 kwh will be $13.91 monthly for the period January 2010 through December 2010.

Q. When does Gulf propose to collect its environmental cost recovery charges?

A. The factors will be effective beginning with Cycle 1 billings in January 2010 and will continue through the last billing cycle of December 2010.

Q. Mr. Dodd, does this conclude your testimony?

A. Yes.

MS. BROWN: The proposed stipulations on this docket are found in Section 8 of the Prehearing Order, Pages 6 through 26, and at this time we ask that, recommend that the Commission approve those stipulations.

CHAIRMAN CARTER: Okay. Any questions?

Commissioner Skop.

COMMISSIONER SKOP: Thank you, Mr. Chair.

At this time, if there are no further questions, I would move to approve the proposed stipulations identified on Pages 6 through, I believe, 26 of the 07 docket.

COMMISSIONER EDGAR: Second.

CHAIRMAN CARTER: Commissioners, it's been moved and properly seconded. Are there any questions? Any concerns?

Hearing none, all in favor of the motion, let it be known by the sign of aye.

(Simultaneous vote.)

All those opposed, like sign. Show it done.

MS. BROWN: Commissioner, I would note that the order in this docket will be issued by November 22nd.

CHAIRMAN CARTER: November 22nd the order from this will be sent, will be finalized.

(Docket concluded.)

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 12th day of November, 2009.

Linda Boles
LINDA BOLES, RPR, CRR
FPSC Official Commission Reporter
(850) 413-6734