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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 150196-EI

PETITION FOR DETERMINATION OF
NEED FOR OKEECHOBEE CLEAN ENERGY
CENTER UNIT 1, BY FLORIDA POWER
& LIGHT COMPANY.

_____ /

VOLUME 3

PAGES 312-342

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING:

CHAIRMAN ART GRAHAM,
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISI
COMMISSIONER JULIE I. BROWN
COMMISSIONER JIMMY PATRONIS

DATE: Tuesday, December 1, 2015

TIME: Commenced: 3:55 p.m.
Concluded: 4:31 p.m.

PLACE: Betty Easley Conference Center
Room 148 4075 Esplanade Way 19
Tallahassee, Florida

REPORTED BY: Johana M. Kesterson, Court Reporter

APPEARANCES: (As heretofore noted.)

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1 P R O C E E D I N G

2 (Transcript follows in sequence from Volume 2.)

3 DIRECT EXAMINATION CONTINUED

4 BY MR. GUYTON:

5 **Q. Ms. Kingston, please summarize your direct**
6 **testimony for the commissioners.**

7 A. Chairman Graham, Commissioners. Let me tell
8 you some basic facts about the Okeechobee Clean Energy
9 Center, Unit 1. I'm going to refer to it going forward as
10 the Okeechobee Unit.

11 The Okeechobee Unit is an approximately 1,600
12 Megawatt, three on one, natural gas combined-cycle unit.
13 It has a projected in service date of June 2019, and an
14 estimated cost of \$1.2 billion.

15 The project will be located on approximately
16 250 acres of land of an FPL owned parcel of over
17 2,000 acres in northeast Okeechobee County. The remainder
18 of the site is being evaluated as a site for future solar
19 PV capacity.

20 I want to focus on three main themes from my
21 testimony; cost, reliability, and clean energy. Starting
22 with cost, as I mentioned before, the estimated cost for
23 the unit is 1.2 billion. FPL has a proven track record of
24 constructing combined cycle power plants on budget and on
25 schedule. Since 2005, FPL has completed construction of

1 eight combined cycle units, and all of them were completed
2 on or below budget.

3 In addition to this, FPL is planning to annually
4 report to PFC director or economic regulation the actual
5 and estimated cost of the unit, compared to the estimated
6 total and service cost.

7 The Okeechobee unit is projected to have the
8 lowest heat rate of any fossil fueled combined-cycle
9 plant, not only in our fleet, but in the entire state of
10 Florida. This means significant fuel savings to FPL's
11 customers.

12 Reliability: FPL's fossil fleet performance
13 consistently exceeds industry averages. FPL is often
14 ranked "Top decile" or "Best in class" among its large
15 electric utility peers. The addition of the Okeechobee
16 unit to this fleet is expected to be no different.

17 The Okeechobee unit is expected to have an
18 equivalent availability factor of 95.5 percent. This is
19 significantly better than the U.S. industry average of
20 87.1 percent. The unit's planned outage factor is only
21 3.5 percent, and its forced outage factor is 1 percent.

22 Having a highly reliability unit alone, though,
23 is not enough. It's critical that we have a reliable
24 connection to our transmission system. That being said,
25 in August of 2015, the Florida Reliability Coordinating

1 Counsel completed its review of the units proposed
2 connection to to transmission grid, and they stated the
3 following; and I quote, "The proposed inner connection and
4 integration plan for OCEC will be reliable, adequate and
5 will not adversely impact the reliability of the FRCC
6 transmission system." Having an efficient and highly
7 reliable unit to serve or customers will increase FPL's
8 overall system reliability.

9 Clean energy; as an energy company FPL
10 constructs and operates its power plants consistent with
11 our highly efficient generating fleets. The Okeechobee
12 unit is projected to be the cleanest and most efficient
13 fossil fueled fired unit in our fleet and in the state of
14 Florida. Being the cleanest means that the unit would be
15 using the cleanest of fossil fuels, natural gas, as its
16 primary fuel source. In addition to this, the unit is
17 projected to be using state of the art combined-cycle
18 technology, combustion controlled equipment and air
19 control pollution equipment. FPL already operates one of
20 the cleanest generating fleets in the nation. The
21 addition of the Okeechobee unit to this fleet will further
22 that distinction. The unit will also help with FPL's
23 substantial progress towards reducing CO2 emissions system
24 wide.

25 This project will bring other real benefits to

1 the state of Florida. It is estimated that the project
2 will generate \$239 million in tax revenues over the life
3 of the project. This is money that will be going to the
4 local government and the school district. In addition to
5 this, during construction the project will require 650
6 temporary jobs, and it will create 30 permanent new
7 positions in Okeechobee County.

8 A delay in the determination of need for the
9 Okeechobee unit could delay the unit's certification and
10 start of construction. This could result in an in-service
11 date later than when the unit is needed. Such a delay
12 would defer the operation of this low cost reliable and
13 clean asset. This concludes my summary.

14 MR. GUYTON: I misspoke earlier. Her exhibits
15 are identified as Exhibit 15 through 26, not 27.

16 CHAIRMAN GRAHAM: Okay.

17 MR. GUYTON: With that, we tender Witness
18 Kingston for Cross-examination.

19 THE COURT: OPC.

20 CROSS-EXAMINATION

21 BY MS. CHRISTENSEN:

22 Q. Thank you. I just have brief questions. On
23 page 15 of your direct testimony, you state that planned
24 outage factor for this unit is 2.2 percent; is that
25 correct?

1 A. We actually updated that in the errata that I
2 filed.

3 **Q. Okay. In your --**

4 A. So that should be 3.5 percent.

5 **Q. Okay.**

6 A. And in addition to that, the forced outage
7 factor should be just one percent and the EAF 95.5.

8 **Q. Okay. Is that, to your knowledge, better or**
9 **worse EAF than a unit -- a combined-cycle unit that was**
10 **put into service in this '90s? Would you expect this unit**
11 **to be more reliability or less reliability than a unit**
12 **that was put into service in 1990's, let's say 1999.**

13 A. Assuming that a unit put in to service in the
14 1990's was using an older technology, I would assume that
15 this would be a more efficient unit, but I would need to
16 see those specifications to know for sure.

17 **Q. Okay. Is the -- would you say, on an overall**
18 **basis, the planned outages versus the forced outages, the**
19 **newer technology is more reliable on a whole than older**
20 **technology, combined-cycle technology?**

21 A. As the business grows, the technology becomes
22 more reliable and more efficient, so I believe that would
23 be a true statement.

24 **Q. Okay. And are you familiar with your solar --**
25 **would you agree that FPL has added the solar technology**

1 over the last 10 years, that it did not previously have on
2 its system?

3 A. Yes. FPL added approximately a hundred and ten
4 megawatts of solar generation, I believe it was in 2009,
5 2010.

6 MS. CHRISTENSEN: Okay. I have no further
7 questions. Thank you.

8 CHAIRMAN GRAHAM: ECOSWF.

9 CROSS-EXAMINATION

10 BY MR. MARSHALL:

11 Q. Hello, Ms. Kingston. Since 1990, FPL has
12 substantially improved the operating performance of its
13 fossil fuel generating fleet?

14 A. Yes, that is correct.

15 Q. And that includes a substantial improvement in
16 the reduction of forced outage rates?

17 A. Yes. However, I do not have those numbers in
18 front of me.

19 Q. But you know that they have improved?

20 A. Yes.

21 Q. Equivalent availability factor represents plant
22 availability, and is a measure of the percent capacity
23 available from a generating unit to provide electricity
24 throughout a year?

25 A. Right. The percentage of time a unit is

1 available to go into service, regardless if its called.

2 Q. And over the past 10 years, FPL has achieved an
3 equivalent availability factor for its fleet of
4 92.7 percent?

5 A. Let me check that number from my testimony.
6 92.7 percent, correct.

7 Q. And the U.S. industry average equivalent
8 availability factor is 87.1 percent?

9 A. Yes.

10 Q. Meaning that compared to the U.S. industry
11 average, FPL's generating units tend to be available for
12 dispatch more often? They're more available?

13 A. They have a higher EAF, yes.

14 MR. MARSHALL: Thank you. No further questions.

15 CHAIRMAN GRAHAM: SACE.

16 CROSS-EXAMINATION

17 BY MR. WHITLOCK:

18 Q. Good afternoon, Ms. Kingston.

19 A. Good afternoon.

20 Q. On page 6 of your testimony, on the projected
21 cost, you have it projected around \$1.2 billion; is that
22 still accurate, as we sit here today?

23 A. The current capital cost estimate for the plant
24 is 1,231,700,000, and that was the number that was
25 recently reported in an interrogatory filing.

1 Q. Thank you. Moving over to page -- the bottom of
2 page 13 and the top of page 14 of your testimony. You
3 discussed the the remainder of the Okeechobee site is
4 being evaluated a potential future location for
5 approximately 200 megawatts nameplate of large-scale
6 photovoltaic solar generation. Do you know if any
7 analysis was done for this large scale, or for any solar
8 to be put in service in 2019?

9 A. As Witness Sim stated earlier, he did do some
10 form of an analysis, but it would be best to direct that
11 question to him.

12 Q. Okay. You were here for Dr. Sim's testimony
13 earlier?

14 A. Yes, I was.

15 Q. And you were familiar with his prefiled
16 testimony?

17 A. Generally.

18 Q. He's talked about the rigid maintenance schedule
19 of the proposed Okeechobee Plant, and other new
20 combined-cycle plants. Is that consistent with the
21 planned outage factor of page 15 of your testimony, which
22 I believe you now said is corrected today 3.5 percent?

23 A. What maintenance schedule was he referring to?

24 Q. Just the overall maintenance schedule for this
25 unit. He described it as a rigid maintenance schedule,

1 that plant has to go offline at certain times, the company
2 doesn't have a lot of flexibility as to when that is.

3 A. Our planned outage factor is based on 35 years
4 of operating experience for combined-cycle plants, plus
5 manufacture recommendations for when those outages should
6 be taken.

7 Q. And so that 3.5 percent just equates to
8 3.5 percent of the time this unit would have to be offline
9 for planned maintenance, correct?

10 A. Correct.

11 Q. Okay. Thank you. On page 18 of your testimony,
12 at the bottom of the page, under water supply access and
13 availability, you discuss water supply sources, both
14 ground water and surface water, and you talk about
15 requesting authorization from a daily average withdrawal
16 from the Floridan Aquifer of 9 million gallons per day,
17 and a maximum daily allocation of 11 million gallons per
18 day, correct?

19 A. That is correct.

20 Q. Okay. And it say, FPL is requesting; is that a
21 request that's in process?

22 A. Yes. That request is currently under review by
23 the St. John's River Water Management District. And we've
24 actually met with them several times over this past year,
25 at least a dozen times, and all indications point to them

1 authorizing that allocation. It's still under review,
2 though.

3 **Q. And what about -- is it to that same entity, the**
4 **request for the .08 million gallons a day from the surface**
5 **aquifer?**

6 A. Yes.

7 **Q. And when does FPL expect to have a final**
8 **decision on that, if you know?**

9 A. The St. John's River Water Management district
10 is one of many reviewing agencies that are reviewing the
11 site certification application. Based on our current
12 schedule, we expect approval in December of 2016.

13 **Q. And as far as analysis for sufficiency of the**
14 **water resources to provide that much water, is that**
15 **something that's conducted by the St. John's Water**
16 **Management District?**

17 A. Those analysis are actually conducted by both
18 the St. Johns Water Management District and FPL. We've
19 completed extensive modelling already, to date, to
20 identify if there will be any impacts to the ground water
21 or the surface water.

22 **Q. And do you know what the results of those**
23 **analysis have been?**

24 A. The results of those analysis show that with
25 regard to the ground water, there would be no adverse

1 impacts to the resource. With regards to our limited
2 water from the surficial aquifer, there would be no
3 impacts to the surrounding wetlands.

4 Q. Finally, over on -- it looks like page 22 of
5 your testimony, under the heading, Consequences of Delay,
6 you're talking about kind of the correlation of receiving
7 a determination of need, and then the site certification
8 from the Florida Department of Environmental Protection,
9 correct?

10 A. Yes.

11 Q. Okay. And then, also, I believe on exhibit JKK
12 11 to your testimony, I think you note, basically, you
13 need all approvals to begin construction by December
14 of 2016, correct?

15 A. Yes.

16 Q. Okay. Let me ask you this question, just a
17 hypothetical question, and ask you to assume that the
18 commission decided that it wanted FPL to have a study
19 conducted into its reserve margin, and into its proposed
20 generation only reserve margin, which study could be done
21 this year, and if the results of that study came back, FPL
22 could file for need, you know, some time next year. Do
23 you still believe that would have -- or do you believe
24 that would have any type of effect on the timeline you've
25 laid out in JKK 11?

1 A. Yes, I do. Right now, under the current
2 schedule, we must receive the PSC's agency report on its
3 determination of need in February of next year. So to
4 start an entire new process would likely delay that date.

5 **Q. By how much?**

6 A. I do not know how long a new process would take
7 if we had the refile for need.

8 **Q. Thank you, Ms. Kingston.**

9 A. You're welcome.

10 MR. WHITLOCK: Those are all my questions.

11 CHAIRMAN GRAHAM: FIPUG.

12 CROSS-EXAMINATION

13 BY MR. MOYLE:

14 **Q. Just have a few. You're responsible for the**
15 **development of new generation projects; is that right?**

16 A. Fossil generation, correct.

17 **Q. Okay. And you have that responsibility for**
18 **Canaveral, Riviera Beach, is that right?**

19 A. Not entirely correct. I was involved in
20 Canaveral and Riviera Beach as the environmental
21 permitting lead. I've been a project manager for fossil
22 generation for this project and two other fossil-type
23 projects in my current role.

24 **Q. Was one of them Everglades, Port Everglades?**

25 A. No. It was the gas turbine FIPUG replacement

1 project at the Lauderdale Power Plant, and the other was
2 the gas turbine FIPUG replacement project at the Fort
3 Myers plant. And I've also managed the development of an
4 underground transmission project in St. Lucie County.

5 **Q. Okay. And I was -- I want to congratulate you**
6 **on bringing the projects in, I think you said they were**
7 **under budget or on budget; is that right? All the**
8 **projects you've been involved with.**

9 A. I wasn't involved in all eight of those
10 projects. I was involved in several of them. But, yes,
11 all were completed on or below budget.

12 **Q. And same with respect to time or no?**

13 A. With regards to schedule?

14 **Q. Yes.**

15 A. Seven of the eight projects came in on schedule
16 or ahead of schedule. The eighth project, as a whole,
17 came in on schedule, but when you look at the two
18 individual unit, West County Unit 1 and West County Unit
19 2, West County Unit 1 was three months behind, but West
20 County Unit 2 was six months ahead. So, overall, as a
21 project, it did still come in on schedule.

22 **Q. Okay. And in terms of -- I mean, you have folks**
23 **that you kind of task -- I mean, how many folks are in**
24 **charge of development, you know, of these new projects?**
25 **I'm just trying to understand the organizational**

1 **structure.**

2 A. With regard to development, there's several
3 different business units that support the development
4 phase of the project. I'd said at least eight different
5 business units, at the very least, support the development
6 phase.

7 **Q. And you're comfortable if I ask you some**
8 **questions about the environmental aspects? I mean, you**
9 **had some stuff about wetlands in your testimony?**

10 A. I'll do the best I can.

11 **Q. Okay. So the surface water that you're going to**
12 **get, where is that coming from?**

13 A. The surficial aquifer.

14 **Q. And that's an aquifer that is not very far down?**

15 A. Right. That's the first aquifer.

16 **Q. And the consumptive use permit for the great**
17 **amount is from the aquifer that's lower down?**

18 A. That would be from the Floridan Aquifer,
19 correct. But we wouldn't be seeking a separate
20 consumptive use permit. That allocation would be wrapped
21 into our certification that DEP would issue.

22 **Q. Under the site certification?**

23 A. Yes, under the Power Plant Siting Act.

24 **Q. Okay. And you talk about on page 20, you're**
25 **having some impacts on wetlands; is that right? Of your**

1 **testimony.**

2 A. Minimal impacts, yes.

3 **Q. And what do you have to do to mitigate those**
4 **impacts? Do you do on-site mitigation? How do you handle**
5 **that?**

6 A. When a project has impacts to jurisdictional
7 wetlands, there are a few things that you can do. You can
8 either propose to mitigate for those impacts on site, if
9 you have available land that you can preserve, or you can
10 go to an off-site mitigation bank. In this case, our
11 property happens to have an approximately 360-acre
12 preserve on site, so our plan is to actually put that
13 360-acre preserve into a long-term -- I'm forgetting the
14 word, but we would never been able to touch it in the
15 future going forward. It would be just set aside as a
16 conservation area. Conservation easement, that's what I
17 was looking for.

18 **Q. In that 360, are that wetlands acres or upland;**
19 **do you know?**

20 A. It's a mix of both. But it satisfies the
21 requirement to mitigate for all of our on-site wetland
22 impacts. And I'll add that the majority of those impacts
23 are ditches.

24 **Q. Okay. And then the site, you're using 250 acres**
25 **for the power plant out of 2,000; is that right?**

1 A. Yeah, the entire site's 2,800 acres. Our site
2 is actually going to take up even less than 250, now that
3 we're finalizing the design. So it will be about about
4 200 acres.

5 **Q. How much capacity do you have, transmission-wise**
6 **there, to add additional generation, if you know?**

7 A. Well, part of this project would involve
8 constructing a new substation, 500kV substation, to
9 interconnect with the transmission corridor that is
10 adjacent to the site.

11 **Q. And that's a 230 kV or 500 kV?**

12 A. That's a 500 kV line.

13 **Q. In terms -- you mentioned solar, you're looking**
14 **at 200 megawatts of solar on this site; is that right?**

15 A. Yes.

16 **Q. Have you identified any transmission constraints**
17 **on the transmission system?**

18 A. I wouldn't be aware if there were any. I'm not
19 a solar developer.

20 **Q. Okay. I had asked Mr. Sim a couple of**
21 **questions, I'm going to see if he got them right, from**
22 **your perspective.**

23 A. Okay.

24 **Q. The questions about peak firing and wet**
25 **compression, did Mr. Sim get those right?**

1 A. He did, I was listening.

2 Q. And he punted to you some questions I had about
3 the role of FRCC in reviewing the interconnection. I'm
4 assuming you have familiarity with interconnection and
5 FERC and the FRCC; is that right?

6 A. That's correct.

7 Q. So the point that I'm wondering about is, the
8 role of FRCC opining interconnection. It was my
9 understanding that's largely the role of FRCC, you know,
10 the Federal Energy Regulatory Commission. And the FRCC
11 was involved in this case and giving you a letter that's
12 attached to your testimony, why did that take place?

13 A. That's not entirely correct about the FERC's
14 involvement. The NRCC is -- NRCC is responsible for
15 setting the reliability standards. The FRCC, the Florida
16 Reliability Coordinating Counsel, they're responsible for
17 implementing those standards within the state of Florida,
18 and making sure that utilities follow them in their
19 planning practices.

20 Q. So if somebody's going to be a merchant
21 generator, and they want to assign a power plant, don't
22 they have to get an interconnection study done that's
23 overseen by FRCC?

24 A. If you're going to add over 25 megawatts of
25 generation, that's when you're required to have the FRCC

1 review your proposed interconnection plan.

2 **Q. Do you have any understanding about when the**
3 **FRCC gets involved in interconnections, if they do?**

4 A. I don't believe they do, but I do not know that
5 100 percent.

6 **Q. Okay. And the FRCC, is that -- are their**
7 **meetings public, do you know?**

8 A. Some of their meetings are public, yes.

9 **Q. Okay. Couple of other questions, if I could.**
10 The changes that you referenced -- do you have
11 any other changes in your testimony?

12 A. What changes are you referring to?

13 **Q. In response to a question from Ms. Christensen,**
14 **you gave her some corrections to some numbers in your**
15 **testimony?**

16 A. Yes.

17 **Q. Were those all of the corrects or do you have**
18 **any others?**

19 A. I can update you on a few other major piece of
20 equipment where we finalized negotiations on. I'm showing
21 here we're one step closer to having a final cost. We
22 finalized our combustion turbine manufacture, our heart
23 recovery generator manufacturer and our steam turbine
24 generator manufacturer.

25 At the time of filing, we had a firm price place

1 in place for the combustion turbine, but we had not had
2 that yet for the HRSG or the steam turbine generator. So
3 all three of those major pieces of equipment, are now
4 under contract -- or soon to be, negotiations are
5 complete.

6 **Q. So are negotiations complete for any of them?**
7 **Are you done, you have firm pricing for any of them?**

8 A. For all three of those.

9 **Q. Okay. Who is the manufacturer of the CT?**

10 A. The CT manufacturer is GE. The model is 7HA.02.

11 **Q. How about the HRSG?**

12 A. The HRSG manufacturer is Nooter/Erickson.

13 **Q. And then the steam combustion --**

14 A. Siemens.

15 **Q. All right. And the final question, you had**
16 **talked about your, experience with, I guess the CTs, CT**
17 **projects at Fort Lauderdale?**

18 A. Yeah. That was at Lauderdale Plant and also at
19 the Fort Myers plant.

20 **Q. Okay. And did those projects add any megawatts**
21 **or were they megawatts for megawatt replace of existing**
22 **CTs?**

23 A. They did not add any megawatts. I believe there
24 was an overall reduction, but we would have to refer to
25 recent tenure site plan.

1 CHAIRMAN GRAHAM: Staff.

2 CROSS-EXAMINATION

3 BY MS. CORBARI:

4 Q. Good afternoon, Ms. Kingston.

5 A. Good afternoon.

6 Q. I'm going to have -- pass out two handouts for
7 you, out of the way. The first is a courtesy copy of your
8 errata sheet, and the second is an excerpt of staff's
9 composite hearing Exhibit 63.

10 MR. GUYTON: Are these already in evidence, what
11 you're handing out?

12 MS. CORBARI: The errata sheet is included with
13 her testimony and staff -- yes, staff composite --
14 that's an interrogatory included in Staff's Composite
15 Exhibit 63.

16 BY MS. CORBARI:

17 Q. Okay. Ms. Kingston, on November 20th FPL filed
18 an errata sheet containing corrections to your prefile
19 direct testimony dated September 3rd, 2015. I believe you
20 went through that with Mr. Guyton, correct?

21 A. Yes.

22 Q. And when did you become aware of the corrections
23 outlined in your errata sheet to your prefiled testimony?

24 A. I believe it was the day that I found out that
25 my original numbers were incorrect, I filed it. If not, I

1 had found out the day before.

2 Q. So then around the 20th?

3 A. Yes.

4 Q. Okay. Thank you.

5 A. Well -- the 20th, yes.

6 Q. If you could turn to page 6 of your direct
7 testimony.

8 A. I'm there.

9 Q. Okay. And I'm also going to have you -- refer
10 you to hearing Exhibit 26, which is exhibit JKK 12 to your
11 direct testimony. So on page 6, beginning at line 16, of
12 your testimony, you stated that FPL projected the total
13 installed cost of the proposed Okeechobee Clean Energy
14 Center Unit 1 to be \$1.196 billion, correct?

15 A. Correct. And did you say you were on page 6,
16 line 16.

17 Q. Yes?

18 A. Okay.

19 Q. Okay. Now, if you'll turn to page 15, beginning
20 at line 19, and it's correct FPL plans to continue
21 evaluating the enhanced design and model for the power
22 train component and other necessary equipment for the
23 proposed unit, correct?

24 A. That is correct.

25 Q. And it is correct that FPL plans to inform the

1 commission if it were to select any such enhancement for
2 the proposed unit, should the commission make a
3 determination of need in this proceeding?

4 A. That is correct.

5 Q. Okay. So would it also be correct to assume
6 that the total installed cost of the proposed unit would
7 change with the selection of any enhancement you mentioned
8 in your prefile testimony?

9 A. It could, yes.

10 Q. Okay. Thank you. Now, I'm going to refer you
11 to the second handout, which is an excerpt from staff
12 Composite Exhibit 63, FPL supplemental response to staff
13 interrogatory number 36, Bates number 00128, and there is
14 a -- the table -- have you look at table staff supplement
15 36, updated analysis. Footnote 2 below the table in FPL's
16 supplemental response states that the total installed cost
17 of the proposed Okeechobee Clean Energy Center, Unit 1 is
18 estimated to be \$1.231,000,000, correct?

19 A. Yes, that is correct. It's actually -- if
20 you're rounding, it would be 1.232.

21 Q. Okay. Thank you. According to staff's
22 calculation, that's a \$35 million increase in estimated
23 total cost of the proposed unit than what you stated in
24 your direct testimony and exhibit JKK 12; is that
25 accurate?

1 A. Yes, it is.

2 **Q. Okay. As previously touched on by Dr. Sim in**
3 **his testimony, it appears FPL has already selected some**
4 **enhancements for the proposed unit; is that correct?**

5 A. Yes, it is correct.

6 **Q. And is the \$35 million increase in the estimated**
7 **total cost to the unit due to FPL selecting these**
8 **enhancements?**

9 A. No, it's not. As I mentioned earlier, we had
10 finalized negotiations with our steam turban and HRSG
11 turbine manufacturers. As a result of analyzing the
12 different steam turbine generator proposals, we were able
13 to select a manufacturer that offered additional
14 performance. We were able to get 11 more megawatts out of
15 the steam turbine, which will result in over all reduction
16 in our combined-cycle plan heat rate. So we chose that
17 path after doing an extensive analysis that Dr. Sim
18 testified to earlier, that it would result in CPVRR
19 benefits to the customer to go that route.

20 Our actual proposals and the cost were -- I'm
21 sorry, our estimates and the cost for the steam turbine
22 generator and the HRSG, were in line with what we
23 estimated. The additional \$35 million, that is additional
24 money that we anticipate that may be needed when we
25 finalize our EPC contract, engineering procurement and

1 construction contract. That would be because they may
2 need to size a larger cooling system, a larger condenser
3 or cooling towers, as a result of the additional 11
4 megawatts that the steam turbine is able to produce.

5 **Q. Okay. Can you please briefly describe some of**
6 **the enhancements that FPL has already selected to the**
7 **proposed unit, and including why FPL selected those**
8 **enhancements?**

9 A. The main enhancement would be the additional
10 performance features that are realized with the steam
11 turbine generator. The ability for that unit to generate
12 a 11 more megawatts of power without using any fuel, and
13 then reducing the overall heat rate of the plant. And not
14 only are we generating 11 more megawatts, but we're also
15 going to be saving customers more money between having a
16 lower heat rate for the plant, and the analysis that Dr.
17 Sim testified to earlier.

18 **Q. To your knowledge, is there a reasonable**
19 **possibility FPL may select additional enhancements for the**
20 **proposed unit, other than those you just described?**

21 A. I think it's always a possibility if it's to
22 benefit our customers. As I mentioned, our EPC contract
23 has not been finalized yet, that's out to bid. So there
24 could be opportunities for that in the future.

25 **Q. How soon after FPL selects the additional**

1 **enhancements you just mentioned would you think FPL would**
2 **inform the Commission of these enhancements?**

3 A. I would say as soon as those analysis were
4 complete and we identified an enhancement that resulted in
5 greater savings to our customers we would make such a
6 filing.

7 Q. **Do you have any -- any idea how long,**
8 **potentially, it would take to do some of these analysis,**
9 **30 days, 45, 60?**

10 A. For instance, right now we're out to bid for our
11 EPC contract. We expect bids back in the middle of
12 January. I would think that our analysis and review of
13 all of those would be done within, maybe, a month or two.
14 I don't know that for sure, but just to give it an example
15 of a possible time line.

16 Q. **So anywhere from a month to two months, you**
17 **would envision?**

18 A. Give or take. Yeah, give or take. Once
19 proposals have been received and we have adequate time to
20 evaluate them.

21 Q. **And then you would make the informational filing**
22 **with the Commission?**

23 A. If needed, yes.

24 Q. **And any additional enhancements -- do you have**
25 **any idea what -- an idea of what possible additional costs**

1 **may be added to the proposed unit?**

2 A. Not at this time.

3 MS. CORBARI: Okay. Thank you. Staff has no
4 more questions.

5 CHAIRMAN GRAHAM: Commissioners. Commissioner
6 Brown.

7 COMMISSIONER BROWN: Thank you. Thank you, Ms.
8 Kingston, for your testimony.

9 At the beginning -- at the front of your summary
10 you said that the projected cost of the Okeechobee
11 Unit 1 is estimated to be 1.2 billion. Does that
12 number include gas transportation cost?

13 THE WITNESS: It does not.

14 COMMISSIONER BROWN: Do you know what those
15 numbers would be?

16 THE WITNESS: Heather Stubblefield or Witness
17 Stubblefield would be able to address that. That
18 would not be included in the upfront capital cost of
19 the project.

20 COMMISSIONER BROWN: Okay. Thanks.

21 THE WITNESS: You're welcome.

22 CHAIRMAN GRAHAM: Redirect.

23 REDIRECT EXAMINATION

24 BY MR. GUYTON:

25 **Q. Ms. Kingston, you were asked about the letter**

1 from the FRCC addressing the impact on reliability?

2 A. Yes.

3 Q. Does that letter address the impact on
4 reliability from a transmission perspective or a broader
5 perspective of reliability?

6 A. Broader. This would be for reliability of our
7 entire state.

8 Q. Would that be for transmission reliability or
9 would that be for generation reliability?

10 A. Transmission reliability.

11 MR. GUYTON: All right. That have's all I have.

12 CHAIRMAN GRAHAM: Okay.

13 MR. GUYTON: We would move Ms. Kingston's
14 exhibits, which are 15 through 26.

15 CHAIRMAN GRAHAM: If there's no objection to
16 those exhibits, we'll enter those into the record.
17 And I don't think we have any other exhibits that may
18 need to be entered.

19 (Exhibits 15 through 26 admitted into the record
20 in Volume 1.)

21 Ms. Kingston, thank you for your testimony.

22 THE WITNESS: Thank you.

23 CHAIRMAN GRAHAM: All right. Well, we started
24 this morning and said we were going to shoot to finish
25 about 4:30 o'clock. It looks like 4:30.

1 MR. GUYTON: May Ms. Kingston be excused?

2 CHAIRMAN GRAHAM: Yes.

3 THE WITNESS: Thank you.

4 CHAIRMAN GRAHAM: So we will end for today,
5 unless you guys want to go for 7, we'll shut it down.
6 We'll end for today. And we'll start tomorrow morning
7 at 9:30. Thank you very much.

8 (Transcript continues in sequence in Volume 4.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)

COUNTY OF LEON)

I, Johana Kesterson, Court 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' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 2nd day of December, 2015.

Johana M. Kesterson, Court Reporter
Notary Public
Comission FF200936
Expires: March 6, 2019