



Matthew R. Bernier  
Associate General Counsel

July 2, 2018

**VIA ELECTRONIC FILING**

Ms. Carlotta Stauffer, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: *Environmental Cost Recovery Clause; Docket No. 20180007-EI*

Dear Ms. Stauffer:

On behalf of Duke Energy Florida, LLC ("DEF"), I am writing to advise the Commission that at this time, DEF has identified the following new environmental project for which it intends to seek approval for cost recovery in the above referenced docket:

- **Crystal River Flue Gas Desulfurization ("FGD") Blowdown Pond Closure**  
– The Arsenic Groundwater Standard was previously approved in Order No. PSC-2005-1251-FOF-EI. A Plan of Study ("POS") to evaluate the source of arsenic at the site was implemented in November 2011. A POS Addendum that included a leachability study and proposed abandoning one well and installing 3 new wells was implemented in February 2012. An additional Flue Gas Desulfurization ("FGD") Wastewater Treatment Study was conducted in May 2013. The results of these studies indicated that Arsenic is naturally occurring in some areas but there is also a contribution from the FGD discharge from the lined treatment pond to the percolation ponds, and from the industrial wastewater from Crystal River Units 1 & 2. These sources are being addressed by the construction of a new FGD wastewater treatment system and retirement of Units 1 & 2, both scheduled to be completed by December 31, 2018. Additional assessment has been initiated around the area of ground water wells still exceeding the Arsenic standard of 10 ppb that are not affected by the sources already identified. In March 2016, DEF and the Florida Department of Environmental Protection ("FDEP") executed the Third Amendment to Consent Order ("CO") OGC No. 09-3463D, to address the exceedances still being measured at the Crystal River Energy Complex ("CREC"). Under the CO, DEF

is required to remove the accumulated coal combustion residuals (“CCR”) solids from the lined FGD ponds within 30 days following the implementation of the new Wastewater Treatment project (“WWT”) for Crystal River Units 4 and 5; the WWT project is required under DEF’s Conditions of Certification dated August 1, 2012. Per the CO, the removal of the CCR solids must be completed within eight months once the removal activities have been initiated. Once the CCR solids and pond liner are removed, DEF will complete closure of the FGD Blowdown ponds. DEF will include initial project cost estimates in the 2018 Actual/Estimated and 2019 Projection Filings in Docket 20180007-EI.

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

*s/Matthew R. Bernier*

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Matthew R. Bernier

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MRB/mw

**CERTIFICATE OF SERVICE**

Docket No. 20180007-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 2<sup>nd</sup> day of July, 2018.

/s/ Matthew R. Bernier

Attorney

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