



Matthew R. Bernier  
ASSOCIATE GENERAL COUNSEL

May 24, 2021

**VIA ELECTRONIC FILING**

Adam J. Teitzman, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: *Environmental Cost Recovery Clause*; Docket No. 20210007-EI

Dear Mr. Teitzman:

On behalf of Duke Energy Florida, LLC ("DEF"), please find enclosed for electronic filing in the above-referenced docket, DEF's errata to the April 1, 2021, Direct Testimony of Timothy S. Hill. Page 4, line 5 has been reworded from "lower" to "higher" to correct a scrivener's error.

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

Matthew R. Bernier

MRB/cmw  
Enclosure

**CERTIFICATE OF SERVICE**

Docket No. 20210007-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 24<sup>th</sup> day of May, 2021.

*/s/ Matthew R. Bernier*

Attorney

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| <p>Charles Murphy<br/>Office of General Counsel<br/>Florida Public Service Commission<br/>2540 Shumard Oak Blvd.<br/>Tallahassee, FL 32399-0850<br/><a href="mailto:cmurphy@psc.state.fl.us">cmurphy@psc.state.fl.us</a></p> <p>J. Beasley / J. Wahlen / M. Means<br/>Ausley McMullen<br/>P.O. Box 391<br/>Tallahassee, FL 32302<br/><a href="mailto:jbeasley@ausley.com">jbeasley@ausley.com</a><br/><a href="mailto:jwahlen@ausley.com">jwahlen@ausley.com</a><br/><a href="mailto:mmeans@ausley.com">mmeans@ausley.com</a></p> <p>Steven R. Griffin<br/>Beggs Law Firm<br/>P.O. Box 12950<br/>Pensacola, FL 32591<br/><a href="mailto:srg@beggsllaw.com">srg@beggsllaw.com</a></p> <p>Russell A. Badders<br/>Gulf Power Company<br/>One Energy Place, Bin 100<br/>Pensacola, FL 32520-0100<br/><a href="mailto:russell.badders@nexteraenergy.com">russell.badders@nexteraenergy.com</a></p> <p>Jon C. Moyle, Jr.<br/>Moyle Law Firm, P.A.<br/>118 North Gadsden Street<br/>Tallahassee, FL 32301<br/><a href="mailto:jmoyle@moylelaw.com">jmoyle@moylelaw.com</a><br/><a href="mailto:mqualls@moylelaw.com">mqualls@moylelaw.com</a></p> | <p>Charles Rehwinkel / Richard Gentry<br/>Office of Public Counsel<br/>c/o The Florida Legislature<br/>111 West Madison Street, Room 812<br/>Tallahassee, FL 32399-1400<br/><a href="mailto:rehwinkel.charles@leg.state.fl.us">rehwinkel.charles@leg.state.fl.us</a><br/><a href="mailto:gentry.richard@leg.state.fl.us">gentry.richard@leg.state.fl.us</a></p> <p>Paula K. Brown<br/>Tampa Electric Company<br/>Regulatory Affairs<br/>P.O. Box 111<br/>Tampa, FL 33601<br/><a href="mailto:regdept@tecoenergy.com">regdept@tecoenergy.com</a></p> <p>James W. Brew / Laura W. Baker<br/>Stone Law Firm<br/>1025 Thomas Jefferson Street, N.W.<br/>Eighth Floor, West Tower<br/>Washington, DC 20007<br/><a href="mailto:jbrew@smxblaw.com">jbrew@smxblaw.com</a><br/><a href="mailto:lwb@smxblaw.com">lwb@smxblaw.com</a></p> <p>Kenneth Hoffman<br/>Florida Power &amp; Light Company<br/>134 W. Jefferson Street<br/>Tallahassee, FL 32301-1713<br/><a href="mailto:ken.hoffman@fpl.com">ken.hoffman@fpl.com</a></p> <p>Maria Moncada<br/>700 Universe Boulevard (LAW/JB)<br/>Juno Beach, FL 33408-0420<br/><a href="mailto:maria.moncada@fpl.com">maria.moncada@fpl.com</a></p> |
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

TIMOTHY S. HILL

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC.

DOCKET NO. 20210007-EI

April 1, 2021

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

A. My name is Timothy S. Hill. My business address is 400 South Tryon Street, Charlotte, NC 28202.

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

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

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

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

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

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

7 A: I have a Bachelor of Science degree in Nuclear Engineering from the University  
8 of Florida and a Master of Science degree from the University of Central Florida.  
9 I have 18 years of experience in the power generation industry including positions  
10 as an Engineering Manager, a Maintenance Manager, and a Plant Manager within  
11 Duke Energy's fossil fleet, and as Fleet and Harris Station Maintenance Manager  
12 in Duke Energy's nuclear fleet. Prior to joining Duke Energy, I was employed by  
13 Delta Air Lines as a General Manager in Engineering and Maintenance, and prior  
14 to that I served 21 years as a commissioned officer in the U.S. Navy, serving in  
15 the nuclear fleet. In November of 2014, I began my current role as CCP Regional  
16 General Manager.

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

19 A. The purpose of my testimony is to provide an update on DEF's 2020 Coal  
20 Combustion Residual ("CCR") Rule compliance activities and associated 2020  
21 compliance costs for which the Company seeks recovery through the  
22 Environmental Cost Recovery Clause ("ECRC").

23

1 **Q. How did actual O&M project expenditures for the period January 2020 –**  
2 **December 2020 compare to actual/estimated O&M projections for the CCR**  
3 **Rule (Project 18)?**

4 A. The CCR Rule O&M variance is \$251,850 or 27% lower than projected. This is  
5 primarily due to costs associated with the Crystal River landfill ditch remediation  
6 work that were incorrectly recorded to a different project. This mischarge will be  
7 corrected in the 2021 financial results.

8

9 **Q. How did actual capital project expenditures for the period January 2020 –**  
10 **December 2020 compare to actual/estimated capital projections for the CCR**  
11 **Rule (Project 18)?**

12 A. The CCR Rule capital variance is \$757,452 or 56% higher than projected. This  
13 is primarily due to additional engineering measures that were included in the final  
14 design and pricing obtained from a competitive bid event for the new lined  
15 sedimentation basin / ditch area. This project is part of the groundwater corrective  
16 actions as required by the Federal CCR Rule and was approved as recoverable  
17 through the ECRC by Commission Order No. PSC-2019-0500-FOF-EI.

18 The initial cost estimate for this capital project was based on a preliminary design  
19 that was developed as part of a feasibility study conducted as part of the CCR  
20 Rule's Assessment of Corrective Measures, which has been provided to the  
21 Commission as part of previous testimonies. The final engineering design of this  
22 facility required adding a second impermeable liner, a cushioning layer over the  
23 liner components, and structural fill placement below the groundwater table  
24 resulting in substantial groundwater control measures. These measures

1            contributed to the increased cost for materials, equipment, and labor. These  
2            additional measures also extended the construction duration from about three  
3            months initially estimated to about six months. The extended duration also  
4            contributed to the increased costs for labor and equipment. The final factor  
5            contributing to the capital variance is that actual contract bids came in higher than  
6            the original estimate. The projected cost was estimated based on unit costs from  
7            other projects and construction industry cost data reports, whereas the actual costs  
8            are based on pricing obtained through a competitive bid event that was opened in  
9            late July 2020 and closed in early October 2020.

10

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

12    A.    Yes.