

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DIRECT TESTIMONY OF
3 REGINALD ANDERSON
4 ON BEHALF OF
5 DUKE ENERGY FLORIDA, LLC
6 DOCKET NO. 20210007-EI
7 July 30, 2021
8

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

10 A. My name is Reginald Anderson. My business address is 299 First Avenue North,
11 St. Petersburg, FL 33701.
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13 **Q. By whom are you employed and in what capacity?**

14 A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as
15 Vice President – Regulated & Renewable Energy Florida.
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17 **Q. What are your responsibilities in that position?**

18 A. As Vice President of DEF’s Regulated & Renewable Energy organization, my
19 responsibilities include overall leadership and strategic direction of DEF’s power
20 generation fleet. My responsibilities include strategic and tactical planning to
21 operate and maintain DEF’s non-nuclear generation fleet; generation fleet project
22 and addition recommendations; major maintenance programs; outage and project
23 management; generation facilities retirement; asset allocation; workforce
24 planning and staffing; organizational alignment and design; continuous business

1 improvement; retention and inclusion; succession planning; and oversight of
2 numerous employees and hundreds of millions of dollars in assets and capital and
3 O&M budgets.

4
5 **Q. Please describe your educational background and professional experience.**

6 A. I earned a Bachelor of Science degree in Electrical Engineering Technology and
7 Master of Business from the University of Central Florida in 1996 and 2008
8 respectively. I have 23 years of power plant production experience at DEF in
9 various operational, managerial and leadership positions in fossil steam and
10 combustion turbine plant operations. I also managed the new construction and
11 O&M projects team. I have contract negotiation and management experience.
12 My prior experience includes leadership roles in municipal utilities,
13 manufacturing and the United States Marine Corps.

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15 **Q. Have you previously filed testimony before this Commission in Docket No.**
16 **20210007-EI?**

17 A. No, I will be adopting the direct testimony of Jeffrey Swartz filed on April 1,
18 2021.

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

21 A. The purpose of my testimony is to explain material variances between 2021
22 actual/estimated cost projections and original 2021 cost projections for
23 environmental compliance costs associated with FPSC-approved environmental
24 programs under my responsibility. These programs include the CAIR/CAMR

1 Crystal River (“CR”) Program (Project 7.4), Mercury and Air Toxics Standards
2 (MATS) – Crystal River (CR) 4&5 (Project 17), and Mercury & Air Toxics
3 Standards (MATS) – Crystal River 1&2 Program (Project 17.2).
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5 **Q. How do actual/estimated O&M project expenditures compare with original**
6 **projections for the CAIR/CAMR CR Program (Project 7.4) for the period**
7 **January 2021 through December 2021?**

8 A. O&M expenditures are expected to be \$1,714,203 or 8% lower than originally
9 projected. This projected variance is primarily due to \$1.3M lower than projected
10 CAIR – Energy (Reagents) and \$591k lower than originally projected CAIR-
11 Conditions of Certification (Energy) costs, slightly offset by \$205k higher than
12 originally projected CAIR-Base.
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14 **Q. Please explain the variance between actual/estimated O&M expenditures**
15 **and the original projections for O&M expenditures for the CAIR/CAMR**
16 **CR-Base Program (Project 7.4) for the period January 2021 through**
17 **December 2021?**

18 A. O&M expenditures for the CAIR/CAMR CR-Base Program are expected to be
19 \$205,327 or 2% higher than originally forecasted. This is primarily due to
20 expected higher maintenance and repairs that will be required due to increased
21 forecasted generation run times at CR 4 & 5.
22

23 **Q. Please explain the variance between actual/estimated O&M expenditures**
24 **and the original projections for O&M expenditures for the CAIR/CAMR**

1 **CR-Energy (Reagents) Program (Project 7.4) for the period January 2021**
2 **through December 2021?**

3 A. O&M expenditures for the CAIR/CAMR CR-Energy (Reagents) Program are
4 expected to be \$1,328,948 or 21% lower than originally forecasted. This variance
5 consists of higher forecasted expense for Ammonia (\$493k), Limestone (\$410k),
6 and Hydrated Lime (\$876k) and decreased forecasted expense for Dibasic Acid
7 (\$6k) and Caustic (\$83k). There is also an increase in the forecasted credit for
8 Gypsum Sale (\$3M).

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10 **Q. Please explain the variance between actual/estimated O&M expenditures**
11 **and the original projections for O&M expenditures for the CAIR/CAMR**
12 **CR-Energy (Conditions of Certification) Program (Project 7.4) for the**
13 **period January 2021 through December 2021?**

14 A. O&M expenditures for the CAIR/CAMR CR-Energy (Conditions of
15 Certification) Program are expected to be \$590,582 or 33% lower than originally
16 forecasted. This is primarily due to a decrease in the forecasted repairs.

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18 **Q. Please explain the variance between actual/estimated O&M project**
19 **expenditures and original projections for MATS CR4&5 (Project 17) for the**
20 **period January 2021 through December 2021.**

21 A. O&M expenditures for MATS CR 4&5 are expected to be \$115,000 or 32% lower
22 than forecasted. This is primarily due to a decrease in forecasted repairs.

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

1 A. Yes.

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