

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

TIMOTHY HILL

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20210007-EI

July 30, 2021

Q. Please state your name and business address.

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

Q. By whom are you employed?

A. I am employed by Duke Energy Corporation (“Duke Energy”) as Vice President for the Coal Combustion Products (“CCP”) Group – Operations, Maintenance and Governance. Duke Energy Florida, LLC (“DEF” or “the Company”) is a fully owned subsidiary of Duke Energy.

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

A. Yes, I provided direct testimony on April 1, 2021.

Q. Has your job description, education, background and professional experience changed since that time?

1 A. Yes. In my new role, I continue to oversee all CCP operations in Florida, but have
2 expanded that responsibility to all of Duke Energy.

3

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

5 A. The purpose of my testimony is to explain material variances between 2021
6 actual/estimated cost projections and original 2021 cost projections for
7 environmental compliance costs associated with DEF's Coal Combustion Residual
8 ("CCR") Rule compliance project.

9

10 **Q. Please explain the O&M variance between actual/estimated project**
11 **expenditures and original projections for CCR (Project 18) O&M for the**
12 **period January 2021 through December 2021.**

13 A. O&M expenditures for CCR are expected to be \$474,478, or 171% higher than
14 projected. This is primarily due to the reclassification of invoices received in
15 2020 that were not charged to the ECRC-recoverable portion of this project until
16 2021, as described in the testimony filed on April 1, 2021, in this Docket. The
17 remaining portion is due to additional engineering to revise and re-certify the
18 Landfill Run-On and Run-Off Control Systems ("ROROCS") Plan and perform
19 the annual landfill inspection as required by the CCR Rule and additional CCR
20 removal from landfill ditches required, as part of the CCR Ash Landfill Project,
21 discussed in further detail below.

22

23 **Q. Please explain the Capital variance between actual/estimated project**
24 **expenditures and original projections for CCR (Project 18) Capital for the**

1 **period January 2021 through December 2021.**

2 A. Capital expenditures for CCR are expected to be \$1,525,036, or 610% higher than
3 projected. This is primarily due to additional engineering measures required in
4 the final design of the new, lined, sedimentation basin and ditch area as described
5 in the testimony filed on April 1, 2021, in this Docket. This project is part of the
6 groundwater corrective actions required by the Federal CCR Rule and determined
7 recoverable as part of the CCR Ash Landfill Project discussed below.

8
9 The initial cost estimate for this project was based on a preliminary design
10 developed by a feasibility study as part of the CCR Rule's Assessment of
11 Corrective Measures, which has been provided to the Florida Public Service
12 Commission ("the Commission") as part of previous testimonies. The final
13 engineering design of this facility required adding a second impermeable liner, a
14 cushioning layer, over the liner components and structural fill placement below
15 the groundwater table resulting in substantial groundwater control measures.
16 These measures contributed to the increased cost for materials, equipment and
17 labor. These additional measures also extended the construction duration from
18 approximately three months to six months, which also contributed to the increased
19 costs. Additionally, contract bids came in higher-than-originally estimated. The
20 project is expected to be completed in 2021.

21
22 **Q. Please provide an update on the CCR Ash Landfill project**

23 A. On July 3, 2019, DEF notified the Commission of a new ECRC project for the
24 CCR Ash Landfill. In Order PSC-2019-0500-FOF-EI, issued on November 22,

1 2019, the Commission approved the Ash Landfill project as recoverable through
2 the ECRC. On May 6, 2021, DEF posted the Remedy Selection Final Report to
3 the publicly accessible CCR Rule Compliance Data and Information website for
4 the DEF Crystal River Energy Complex. The selected remedies include
5 remediating the ash landfill perimeter ditches to remove accumulated CCR
6 materials, constructing a new lined basin / ditch area to prevent future material
7 accumulation and continued monitoring of natural attenuation. DEF initiated
8 remediating the ash landfill perimeter ditches and constructing the new lined basin
9 / ditch area in 2020. DEF expects to complete both remedy components in 2021.

10

11 DEF will continue to monitor groundwater quality as required in the Federal CCR
12 Rule and evaluate the effectiveness of the remedies implemented in 2020 and
13 2021. DEF will update the Commission about this project if additional corrective
14 actions will be required to meet compliance with the Rule.

15

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

17 A. Yes.

18

19

20

21

22

23

24