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March 31, 2025

-VIA ELECTRONIC FILING-

Adam Teitzman
Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20250007-EI

Dear Mr. Teitzman:

Attached for electronic filing in the above docket is the prepared testimony of Florida Power & Light Company ("FPL") witness Katharine MacGregor. This testimony is submitted in support of FPL's Petition for Approval of Environmental Cost Recovery Clause Final True-Up for the Period Ending December 2024.

Please feel free to contact me with any questions regarding this filing.

Sincerely,

s/ Maria Jose Moncada
Maria Jose Moncada

Attachments

cc: Counsel for Parties of Record (w/ attachments)

Florida Power & Light Company

700 Universe Boulevard, Juno Beach, FL 33408

22786789

CERTIFICATE OF SERVICE

Docket No. 20250007-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished
by electronic service on this 31st day of March 2025 to the following:

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s/ Maria Jose Moncada
Maria Jose Moncada

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF KATHARINE MACGREGOR**

4 **DOCKET NO. 20250007-EI**

5 **MARCH 31, 2025**

6
7 **Q. Please state your name and address.**

8 A. My name is Katharine MacGregor and my business address is 700 Universe
9 Boulevard, Juno Beach, Florida 33408.

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

11 A. I am employed by Florida Power & Light Company (“FPL” or “Company”) as Vice
12 President of Environmental Services.

13 **Q. Please describe your educational background and professional experience.**

14 A. I received a Bachelor of Arts in American History and Classical Studies from the
15 University of Pennsylvania in 2004. I was employed by the United States House of
16 Representatives from 2007 to 2017, serving as Professional Staff on the House
17 Committee on Natural Resources from 2011 to 2017. I was employed by the United
18 States Department of the Interior from 2017 to 2021 in multiple roles, including the
19 Principal Deputy Assistant Secretary for Land and Mineral Management and later
20 as the Deputy Secretary for the Department. I have been employed by FPL since
21 2021 as the Vice President of Environmental Services. In that role, I am responsible
22 for FPL’s environmental licensing and compliance efforts.

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. The purpose of my testimony is to explain the significant variances in costs
3 associated with operations & maintenance (“O&M”) expenses and capital
4 investments included in FPL’s Environmental Cost Recovery Clause (“ECRC”)
5 Final True-up for the period of January 2024 through December 2024.

6

7 **FPL Variance Explanations**

8 **Q. How did FPL’s actual project O&M and capital revenue requirements for**
9 **January 2024 through December 2024 compare with actual/estimated**
10 **amounts presented in Docket No. 20240007-EI?**

11 A. Form 42-4A shows that total actual project O&M was \$2,524,834, or 6.0%, lower
12 than projected, and Form 42-6A shows that total actual revenue requirements
13 associated with the project capital investments (depreciation, amortization, income
14 taxes and return on capital investments) was \$5,016,002, or 1.3%, lower than
15 projected. Individual project variances are provided on Forms 42-4A and 42-6A.
16 Actual revenue requirements for each capital project for the period January 2024
17 through December 2024 are provided on Form 42-8A. The calculation of actual
18 revenue requirements is sponsored by FPL witness Richard L. Hume.

19 **Q. Please explain the reasons for the significant variances in project O&M**
20 **expenses and capital revenue requirements.**

21 A. The significant variances in FPL’s 2024 actual O&M expenses and capital revenue
22 requirements compared to actual/estimated amounts are associated with the
23 following projects.

1 **FPL O&M Variance Explanations**

2 **Project 3. Continuous Emission Monitoring Systems**

3 Project expenses were \$172,262, or 21.2%, higher than projected. The variance is
4 primarily due to emission testing costs for the Pea Ridge and Perdido sites being
5 higher than originally estimated. The annual testing costs increased due to
6 additional contractor expenses associated with rescheduling the testing because of
7 equipment maintenance requirements. In addition, the Manatee plant continuous
8 emission monitoring system calibration gas costs were higher than originally
9 estimated.

10
11 **Project 5. Maintenance of Stationary Above Ground Fuel Storage Tanks**

12 Project expenses were \$77,961, or 15.3%, lower than projected. The variance is
13 primarily due to the Power Delivery storage tank maintenance costs being less than
14 originally estimated. Several service center fuel storage tanks were replaced and
15 maintenance on the Line Equipment Service Center diesel tank was cancelled due
16 to plans to take the tank out of service in early 2025.

17
18 **Project 21. St. Lucie Turtle Nets**

19 Project expenses were \$68,561, or 35.8%, higher than projected. The variance is
20 due to costs required to reset the barrier net in order to maintain sufficient tension
21 on the net to reduce potential sea turtle entanglement.

1 **Project 28. Clean Water Act 316(b) Phase II Rule**

2 Project expenses were \$274,445, or 26.6%, lower than projected. The variance is
3 primarily due to costs for the 316(b) Impingement Optimization Studies for Riviera
4 Beach, Port Everglades, and Dania Beach Energy Centers being less than originally
5 anticipated. Overall, the 316(b) sampling and data analysis process has become
6 more efficient over time, reducing the amount of time required to complete the
7 work and the associated labor costs. Additionally, the consultant budget for 316(b)
8 support during the Gulf Clean Energy Center permit renewal was not needed to
9 address FDEP follow-up questions related to the 316(b) studies. Repairs to the
10 Cape Canaveral horseshoe crab wall also cost less than originally anticipated.

11

12 **Project 38. Space Coast Next Generation Solar Energy Center**

13 Project expenses were \$109,467, or 42.6%, lower than projected. The variance is
14 primarily due to rescheduling component replacements for solar inverters and
15 controls from 2024 to 2025.

16

17 **Project 42. Turkey Point Cooling Canal Monitoring Plan**

18 Project expenses were \$1,652,981, or 18.7%, lower than projected. The variance
19 is primarily due to rescheduling the recovery well piping replacement project from
20 late 2024 to early 2025. Additional time was required to complete the competitive
21 bid and procurement process. The contract was awarded in late November 2024,
22 and the project is currently underway with completion expected in April 2025.

23

1 **Project 50. Steam Electric Effluent Limitations Guidelines Revised Rules**

2 Project expenses were \$1,360,448, or 27.3%, lower than projected. The variance
3 is due to the Plant Scherer Effluent Limitations Guidelines (“ELG”) compliance
4 project costs associated with FPL’s share of Unit 4’s common plant costs.
5 Following completion of the ELG pilot study in September of 2024, the project
6 schedule was revised to reflect a 6 to 8-month extension for engineering,
7 procurement, construction and commissioning. As a result, the 2024 project costs
8 are lower than originally forecasted due to the shifting of additional equipment
9 procurement from 2024 to 2025.

10
11 **Project 51. Gopher Tortoise Relocations**

12 Project expenses were \$56,452, or 69.3%, lower than projected. The 2024 gopher
13 tortoise relocation expense was lower due to fewer gopher tortoises needing to be
14 relocated than estimated for the second half of 2024. FPL monitors gopher tortoise
15 activity throughout the year at the Sanford, Martin, and Manatee plants’ cooling
16 ponds and the Manatee fuel oil storage terminal. Gopher tortoise burrows must be
17 inspected and filled as necessary to ensure the integrity of the embankments.

18
19 **Project 430. General Solid & Hazardous Waste**

20 Project expenses were \$305,721, or 43.8%, higher than projected. This program
21 involves federal and state mandated identification, handling, storage,
22 transportation, and disposal of solid and hazardous wastes at generation,
23 distribution, and transmission facilities in FPL’s Northwest region. The variance

1 is primarily due to substation transformer leak response and remediation costs
2 during the second half of the year being higher than estimated. In addition, spill
3 response costs were higher than expected due to an increase in the number of
4 distribution transformer spills as a result of increased third-party vehicle accidents
5 and weather events.

6
7 **Emission Allowances**

8 Project expenses were \$243,000 higher than projected. The variance is due to the
9 purchase of nitrogen oxides (“NOx”) allowances to cover the 2023 ozone season
10 obligation for FPL’s ownership portion of Plant Daniel Units 1 and 2. The Plant
11 Daniel ozone season NOx allowance cost was inadvertently omitted from the 2024
12 ECRC Estimated Actual filing.

13
14 **FPL Capital Variance Explanations**

15 **Project 54. Coal Combustion Residuals**

16 Project revenue requirements are estimated to be \$5,204,712, or 11.1%, lower than
17 projected due to changes to the construction schedule for the new Plant Smith
18 wastewater ponds. The project was completed three months later than anticipated,
19 leading to a decrease in the depreciation cost.

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

21 **A.** Yes.