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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

**DALE WILTERDINK**

ON BEHALF OF

PROGRESS ENERGY FLORIDA

DOCKET NO. 080007-EI

AUGUST 29, 2008

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

A. My name is Dale W. Wilterdink. My business address is 15760 West Power Line Street, Crystal River, Florida, 34428.

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

A. I am employed by Progress Energy Florida ("PEF") as Manager of Plant Construction Projects.

**Q. Have you previously submitted testimony in this proceeding?**

A. Yes. I previously submitted pre-filed direct testimony in this proceeding on August 4, 2008.

**Q. Have your responsibilities changed since you previously submitted testimony in this proceeding?**

A. No. They have not.

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

2 A. The purpose of my testimony is to update the Commission on the Crystal River  
3 Units 4 and 5 air quality control system project ( "Crystal River Project") included  
4 in PEF's Integrated Clean Air Compliance Plan. I also will present PEF's current  
5 estimates of the costs that will be incurred in the 2009 for the Crystal River  
6 Project.

7

8 **Q. Have PEF's plans for the Crystal River Project changed in light of the recent**  
9 **federal court decision vacating the Clean Air Interstate Rule (CAIR)?**

10 A. Not at this time. As discussed in the pre-filed testimony of PEF witness Michael  
11 Kennedy, the decision vacating CAIR is not final because U.S. Circuit Court of  
12 Appeals for the District of Columbia ("D.C. Circuit") has not yet issued a mandate.  
13 Until that happens, CAIR is still in effect. For that reason, we are continuing  
14 forward with the Crystal River Project to ensure that PEF can meet CAIR's  
15 compliance deadlines in the event the Court revisits its vacatur. In addition, as  
16 further discussed in Mr. Kennedy's testimony, PEF is continuing to work with the  
17 Florida Department of Environmental Protection ("FDEP") in developing an  
18 overall plan to ensure compliance with other existing and foreseeable  
19 environmental requirements assuming the vacatur of CAIR becomes final.

20

21 **Q. How far along is PEF in implementing the Crystal River Project?**

22 A. The Crystal River Project remains on schedule to meet the in-service dates set  
23 forth in the Integrated Clean Air Compliance Plan approved by the Commission in

1 2007. Through August 2008, we have incurred or have committed to incur capital  
2 costs of approximately \$838.8 million on the Project. This represents  
3 approximately 66.7 percent of the total projected costs of the Project, as presented  
4 in the Integrated Clean Air Compliance Plan approved by the Commission in  
5 Docket No. 070007-EI.

6

7 **Q. What project milestones do you expect to achieve in 2009?**

8 A. We currently expect to achieve several significant project milestones in 2009. In  
9 [REDACTED], we expect to place the Crystal River Unit 5 low NOx burners (“LNB”) and selective catalytic (“SCR”) system and the urea to ammonia hydrolyzer into  
10 service. Additionally, in [REDACTED], we expect to place the Unit 5 SCR and  
11 Flue Gas Desulfurization (“FGD” or “scrubber”) system and chimney into service.  
12 In her pre-filed testimony, Ms. Cross explains the impact of placing these controls  
13 and associated equipment in-service on PEF’s ECRC factors.

14

15  
16 **Q. What are PEF’s projected 2009 expenditures for the Crystal River Project (Project 7.4)?**

17  
18 A. As shown in Form 42-4P in Exhibit No. \_\_ (LC-3) to the testimony of Lori Cross,  
19 PEF currently is projecting to spend approximately \$215.9 million in capital  
20 expenditures on the Crystal River Project in 2009. In addition to the finalization  
21 of the Unit 5 LNB/SCR and FGD projects, the scope of work for 2009 includes  
22 continued work on the Unit 4 FGD system, as well as associated equipment, such  
23 as limestone handling, dewatering, gypsum removal, coal pond liners, settling

1 ponds, make-up water system, storage tanks, piping, and electrical and control  
2 system.

3

4 **Q. What measures is PEF implementing to ensure that the level of expenditures**  
5 **for the Crystal River Project is reasonable and prudent?**

6 A. PEF will continue to implement the measures discussed in my prior testimony to  
7 ensure that costs incurred are reasonable and prudent. Among other things, we  
8 will continue to regularly track project expenditures against the detailed project  
9 scopes to ensure that PEF receives what it contracted for and that any scope  
10 changes are properly evaluated and documented. We also will continue to  
11 conduct regularly scheduled meetings with the primary contractors and senior  
12 management to maintain supervision of the project, to ensure that management  
13 remains fully informed, and to ensure that management expectations are  
14 communicated to the outside vendors and the project team.

15

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

17 A. Yes, it does.