



Dianne M. Triplett  
DEPUTY GENERAL COUNSEL

July 2, 2024

**VIA ELECTRONIC MAIL**

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

Re: *Docket 20240025-EI, Petition for Rate Increase by Duke Energy Florida, LLC*

Dear Mr. Teitzman,

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC (“DEF”), DEF’s Rebuttal Testimony of Reginald D. Anderson.

Thank you for your assistance in connection with this matter. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

Respectfully submitted,

*/s/Dianne M. Triplett*

Dianne Triplett

DMT/mh

Attachment

**CERTIFICATE OF SERVICE**

*Docket No. 20240025-EI*

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 2<sup>nd</sup> day of July, 2024, to the following:

*/s/ Dianne M. Triplett*

Dianne M. Triplett

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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**In re: Petition for rate increase by  
Duke Energy Florida, LLC**

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**Docket No. 20240025-EI  
Submitted for filing: July 2, 2024**

**REBUTTAL TESTIMONY**

**OF**

**REGINALD D. ANDERSON**

**On behalf of Duke Energy Florida, LLC**

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1 **I. INTRODUCTION AND SUMMARY**

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

3 A. My name is Reginald D. Anderson. My business address is 299 First Avenue North,  
4 St. Petersburg, FL 33701.

5  
6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by Duke Energy Florida, LLC (“DEF” or “the Company”) as Vice  
8 President of DEF’s Power Generation organization.

9  
10 **Q. Did you previously file direct testimony in this proceeding?**

11 A. Yes. I submitted pre-filed direct testimony in this docket on April 2, 2024.

12  
13 **Q. What is the purpose of your rebuttal testimony?**

14 A. The purpose of my rebuttal testimony is to respond to certain recommendations and  
15 findings contained in the Direct Testimony of Rose Anderson, filed in this docket  
16 on behalf of the Sierra Club, and Office of Public Counsel (“OPC”) Witness  
17 Helmuth W. Schultz III’s recommendation to reduce the Company’s O&M expense  
18 during the test years related to labor costs for new solar positions.

19  
20 **Q. Do you have any exhibits to your rebuttal testimony?**

21 A. No.

22

1 **Q. Please summarize your rebuttal testimony.**

2 A. My rebuttal testimony responds to Ms. Anderson’s findings and recommendations  
3 as they relate to Crystal River North, specifically, the reasonableness of the  
4 Company’s O&M spending and capital expenditures. I also address the Company’s  
5 plan to add 28 new solar positions during the test years and why OPC witness  
6 Schultz’s proposal to reduce O&M expense is inappropriate.

7

8 **II. CRYSTAL RIVER NORTH**

9 **Q. Please describe Crystal River North.**

10 A. Ms. Anderson’s reference to Crystal River North is to the Company’s two  
11 remaining coal-fired steam units, commonly referred to by the Company as  
12 “Crystal River units 4 and 5.” Crystal River units 4 and 5 were placed in service in  
13 1982 and 1984, respectively, and collectively provide 1,442 megawatts (“MWs”)  
14 of summer capacity and 1,556 MWs of winter capacity.

15

16 **Q. Do you agree with Ms. Anderson’s contention that in this rate case the  
17 Company is requesting significantly more O&M spending than has  
18 historically been necessary to operate Crystal River units 4 and 5?**

19 A. No. DEF’s planned O&M expenditures are reasonable and are needed to continue  
20 the safe and reliable operation of Crystal River units 4 and 5. Ms. Anderson’s  
21 finding fails to acknowledge the reality that as units approach their planned  
22 retirement date, capital costs will begin to decline while O&M costs will trend

1 upwards. It also is important to note that the projected O&M costs for Crystal River  
2 units 4 and 5 are in line with historical annual O&M costs. Further, Ms. Anderson  
3 does not acknowledge that, as a result of the Company's 2021 Settlement  
4 Agreement,<sup>1</sup> the Company's Environmental Cost Recovery Clause ("ECRC") costs  
5 moved into base rates and were no longer accounted for in a separate rider. This  
6 change began in 2022 and resulted in an increase in O&M costs for Crystal River  
7 units 4 and 5. These costs, including the ECRC costs, validate the increase in the  
8 base O&M in the years following this base rate change. Please refer to the direct  
9 and rebuttal testimony of DEF witness Benjamin Borsch for a discussion of DEF's  
10 Ten-Year Site Plan and an explanation of why the Company selected a 2034 target  
11 retirement date for Crystal River units 4 and 5.

12  
13 **III. OPC'S O&M EXPENSE ADJUSTMENT RELATED TO NEW SOLAR**  
14 **POSITIONS**

15 **Q. How do you respond to OPC witness Schultz's recommendation to reduce**  
16 **O&M expense associated with the new solar positions the Company plans to**  
17 **add during the test years?**

18 A. Witness Schultz recommends reducing the Company's O&M expense during each  
19 of the test years related to labor costs for new solar positions the Company intends  
20 to add during the test years. Fourteen new solar farms are included in the  
21 Company's forecast and as such, the Company included labor costs associated with

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<sup>1</sup> 2021 Settlement Agreement, Exhibit 2, Docket Nos. 20190110-EI, 20190222-EI, and 20210016-EI (January 14, 2021) (Approved by the Commission in Order No. PSC-2021-0202-AS-EI).

1 the 28 solar technicians it intends to hire during the test years (12 in 2025 and 8 in  
2 2026 and 2027). It is indisputable that the Company will need new solar technicians  
3 to operate and maintain these new solar farms and thus, the labor costs proposed by  
4 the Company related to these new solar positions are reasonable and should be  
5 approved.

6  
7 **IV. CONCLUSION**

8 **Q. Does this conclude your rebuttal testimony?**

9 **A.** Yes, it does.