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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF  
REGINALD ANDERSON

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 Reginald Anderson. My business address is 299 First Avenue North, St. Petersburg, FL 33701.

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

A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as Vice President – Regulated & Renewable Energy Florida.

**Q. What are your responsibilities in that position?**

A. As Vice President of DEF’s Regulated & Renewable Energy organization, my responsibilities include overall leadership and strategic direction of DEF’s power generation fleet. My responsibilities include strategic and tactical planning to operate and maintain DEF’s non-nuclear generation fleet; generation fleet project and addition recommendations; major maintenance programs; outage and project management; generation facilities retirement; asset allocation; workforce 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.

14  
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.

19  
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).

4  
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.

13  
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).

9

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.

17

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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