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DEF's response to Staff's
Fourth Set of Interrogatories
Nos. 11-16

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause

Docket No. 20220007-EI

Dated: September 6, 2022

**DUKE ENERGY FLORIDA, LLC'S RESPONSE TO
STAFF'S FOURTH SET OF INTERROGATORIES (NOS. 11-16)**

Duke Energy Florida, LLC ("DEF"), responds to Staff's Fourth Set of Interrogatories to DEF (Nos. 11-16), as follows:

INTERROGATORIES

For the following questions, please refer to DEF witness Dean's direct testimony filed July 29, 2022, Exhibit GPD-3.

11. Please refer to page 7 of 18. DEF's Project 7.x – CAIR/CAMR. Please explain the 37 percent increase in Capital investment for this project.

RESPONSE:

The increase is predominantly attributable to higher actual and forecasted inventory values for ammonia. While the inventory level of ammonia has remained relatively constant, the cost of ammonia has increased.

12. Please refer to page 17 of 18, Project 18 – Coal Combustion Residual Rule. Please explain why the property tax for January 2022 is negative \$473, while the property tax for every month after (February-December 2022) is \$179.

RESPONSE:

As noted on Footnote D of Exhibit GPD-3, page 17 of 18, January includes a one-time credit to reflect an adjustment of the 2021 property tax calculation. Previously, DEF's calculation was based on the average monthly balance. Although this was an appropriate calculation method, DEF agreed to revise the calculation of property tax in the SPPCRC Docket 20220010-EI, based on feedback from OPC. For consistency, DEF has also implemented this calculation in the ECRC docket, which results in a negative January amount.

For the following questions, please refer to DEF witness McDaniel's direct testimony filed July 29, 2022.

13. Please refer to page 3, lines 5 through 9. Please identify how often the compliant screens require removal and cleaning.

RESPONSE:

The 316b compliant screens will be cleaned approximately every two weeks depending on the extent of organism growth and debris found during inspections.

14. Please refer to page 4, lines 1 through 4. Please explain whether the steel structure being constructed to hold and store the 316(b) compliant screens is a temporary structure or if it will be utilized in the future.

RESPONSE:

The steel structure constructed to hold and store the 316(b) compliant screens during cleaning is not temporary and will be used for future screen cleanings.

15. Please refer to page 4, lines 23 through 24. Please explain what the operation and maintenance (O&M) expenditures totaling \$170,448 consist of for Project 7.6.

RESPONSE:

The O&M expenses totaling \$170,448 were to support the work described on page 5 of the July 29, 2022 testimony of Kim McDaniel, Docket No. 20220007-EI. \$60K in expenses were for the engineering testing at Citrus Combined cycle and \$80K were for emissions testing at the Crystal River North coal units. Also included were \$25K in expenses for consulting support to prepare the Title V permit application to request reclassification of the Citrus Combined Cycle/Crystal River site as an Area Source. Results of the emissions testing at Crystal River North ultimately revealed that it would not be possible to reclassify the Citrus Combined Cycle/Crystal River site as an Area Source. Additionally, \$5,448 in expenses were for consulting support and public notice fees for the Title V permit applications to reclassify the Bartow Combined Cycle and Hines Energy Complex as an Area Source.

For the following question, please refer to DEF witness Szkolnyj's direct testimony filed July 29, 2022.

16. Please refer to page 2, lines 10 through 12. Please explain why two additional rounds of groundwater samples were required than originally forecasted for Project 18.

RESPONSE:

In 2021 DEF completed the implementation of corrective actions to remedy groundwater exceedances associated with the ash landfill and established a corrective action groundwater monitoring program under the requirements of the Federal CCR Rule 40 CFR Part 257.98. The rule requires that the corrective action groundwater monitoring program, at a minimum, meets the requirements of an assessment monitoring program and documents the effectiveness of the corrective action remedy. The original forecast was based on collecting two rounds (semi-annual) of groundwater samples in accordance with the minimum requirements for assessment monitoring program under 40 CFR Part 257.95. In 2022 two additional rounds (quarterly) of groundwater samples became necessary to evaluate groundwater quality trends and effectiveness of corrective actions.