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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

JOSEPH MCCALISTER **REDACTED**

ON BEHALF OF

PROGRESS ENERGY FLORIDA

DOCKET NO. 070007-EI

AUGUST 3, 2007

Q. Please state your name and business address.

A. My name is Joseph McCallister. My business address is 410 South Wilmington Street, Raleigh, North Carolina 27601.

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

A. I am employed by Progress Energy Carolinas in the capacity of Director, Gas & Oil Trading.

Q. What are your responsibilities in that position?

A. I am responsible for the procurement of natural gas, fuel oil and emission allowances on behalf of Progress Energy Florida (PEF).

Q. Please describe your educational background and professional experience.

A. I have a Bachelor of Science in Business Administration majoring in Accounting from the Ohio State University in 1987. I joined Progress Energy

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ECR _____
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OPC _____
RCA 4
SCR _____
SGA _____
SEC _____
OTH _____

1 Service Company LLC in November 2003. Prior to my current position, I served
2 as Director of Portfolio and Market Risk Assessment in the Enterprise Risk
3 Management Group. Subsequent to my tenure with Progress Energy, I spent
4 approximately 10 years in various positions at energy based companies.
5 Previous management experiences include gas and power scheduling,
6 integration and commercial optimization of generation, fuel, gas storage and
7 contracts, and corporate planning.

8

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

10 **A.** The purpose of my testimony is to outline PEF's overall procurement approach
11 for emission allowances.

12

13 **Q. What is PEF's emission procurement strategy for meeting emission
14 allowance requirements?**

15 **A.** PEF's overall procurement strategy for meeting emission allowance
16 requirements is to buy allowances based on forecasted needs to comply with
17 existing and future compliance requirements. PEF believes a procurement
18 strategy of buying emission allowances over time is a reasonable and prudent
19 approach to manage compliance requirements, reduce price risk and volatility,
20 and provide greater price certainty for our customers.

21

22 **Q.**

23

1 A. [Redacted]
2 [Redacted]
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Q.
A.

[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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[REDACTED]

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

8 **A.** Yes it does.