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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

LISA C. LOHSS

ON BEHALF OF

PROGRESS ENERGY FLORIDA

DOCKET NO. 070007-EI

AUGUST 31, 2007

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

**A.** My name is Lisa C. Lohss. My business address is 299 First Avenue North, St. Petersburg, Florida 33733.

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

**A.** I am employed by Progress Energy Florida as Supervisor, Distribution Component Performance.

**Q. Have you previously filed testimony before this Commission in connection with Progress Energy Florida's Environmental Cost Recovery Clause?**

**A.** Yes.

**Q. Have your duties and responsibilities remained the same since you last filed testimony in this proceeding?**

**A.** Yes.

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

2 **A.** My testimony provides estimates of the costs that will be incurred in the year  
3 2008 for PEF's Distribution System Investigation, Remediation and Pollution  
4 Prevention Programs (Project #2), which was previously approved in PSC Order  
5 No. PSC-02-1735-FOF-EI.

6

7 **Q. What costs do you expect to incur in 2008 in connection with the**  
8 **Distribution System Investigation, Remediation and Pollution Prevention**  
9 **Program (Project #2)?**

10 **A.** For 2008 we estimate total O&M expenditures of approximately \$15 million for  
11 the Distribution System Investigation, Remediation and Pollution Prevention  
12 Program to perform remediation activities at approximately 1,500 sites. This  
13 estimate assumes approximately 220 3-phase transformer sites at an average cost  
14 of \$14,500 per site, approximately 1,300 single-phase transformer sites at an  
15 average cost of \$8,500 per site as well as program management costs.

16

17 **Q. What steps is the Company taking to ensure that the level of expenditures**  
18 **for the Distribution System program is reasonable and prudent?**

19 **A.** To ensure the level of expenditures is reasonable and prudent, the Company  
20 selected contractors through a competitive bidding process and frequently  
21 reviews invoices for accuracy and proper documentation. In addition, the  
22 Company closely monitors remediation work, performs sample testing of

1 inspection results, and provides quarterly reports to the FDEP on progress made  
2 in remediating distribution sites.

3

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

5 **A.** Yes, it does.