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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

DONALD R. ENNIS

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 Donald R. Ennis. My business address is 299 First Avenue North,
St. Petersburg, Florida 33701.

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

A. I am employed by Progress Energy Carolinas as Manager, Environmental
Permitting & Compliance.

Q. What is the scope of your duties?

A. Currently, my responsibilities include managing environmental permitting and
compliance activities for the Energy Delivery Florida and Energy Delivery
Carolinas organizations.

Q. Please describe your educational background and professional experience.

1 **A.** I received a Bachelors of Science degree in Biology from Campbell University.
2 In addition, I am a Registered Environmental Manager with the National
3 Registry of Environmental Professionals. Currently I hold the position of
4 Manager, Environmental Permitting & Compliance. Prior to my current
5 assignment, I held several environmental management positions with Progress
6 Energy Carolina and Progress Energy Service Company, LLC.

7
8 **Q.** **What is the purpose of your testimony?**

9 **A.** The purpose of my testimony is to provide estimates of the costs that will be
10 incurred in the year 2008 for Progress Energy Florida (PEF)'s Substation
11 System Investigation, Remediation and Pollution Prevention Programs (Project
12 #1), which was previously approved in PSC Order No. PSC-02-1735-FOF-EI,
13 and for PEF's Sea Turtle/Street Lighting Program (Project #9) which was
14 previously approved in PSC Order No. PSC-05-1251-FOF-EI.

15
16 **Q.** **What costs do you expect to incur in 2008 in connection with the Substation**
17 **System Investigation, Remediation and Pollution Prevention Program**
18 **(Project #1)?**

19 **A.** For 2008, we estimate Progress Energy Florida will incur total O&M
20 expenditures of approximately \$2.2 million in remediation costs for the
21 Substation System Investigation, Remediation and Pollution Prevention
22 Program. This amount includes estimated costs for remediation activities at 40
23 substation sites that have already been identified as requiring remediation.

1 **Q. What steps is the Company taking to ensure that the level of expenditures**
2 **for the Substation System Program is reasonable and prudent?**

3 A. The Company works annually with the Florida Department of Environmental
4 Protection (FDEP) to determine the specific substation sites to be remediated to
5 ensure compliance with FDEP criteria. The Company also provides quarterly
6 reports to FDEP on progress made in remediating substation sites. To ensure the
7 level of expenditures is reasonable and prudent, the Company selected
8 contractors through a competitive bidding process and reviews invoices for
9 accuracy.

10

11 **Q. What costs do you expect to incur in 2008 in connection with the Sea**
12 **Turtle/Street Lighting Program (Project #9)?**

13 A. For 2008, the projected expenses for the Sea Turtle/Street Lighting Program are
14 \$300,000. This amount includes \$280,000 in O&M costs and \$20,000 in capital
15 expenditures to satisfy new criteria that local governments are applying to
16 ensure compliance with sea turtle ordinances in Franklin and Gulf Counties and
17 the City of Mexico Beach. The capital expenditures will be spent on
18 modifications and/or replacement of applicable lighting fixtures. The estimated
19 O&M projections include research costs associated with street light technology
20 studies. Compliance plans are currently under review and are subject to change
21 pending regulatory agencies' determinations regarding the most cost-effective
22 and appropriate measures for specific sites.

23

1 **Q. What steps is the Company taking to ensure that the level of expenditures**
2 **for the Sea Turtle/Street Lighting Program is reasonable and prudent?**

3 A. PEF is cooperating with local governments and appropriate regulatory agencies
4 to develop compliance plans that allow flexibility to make only those
5 modifications necessary to achieve compliance. PEF will ensure that evaluation
6 of each streetlight requiring modification occurs so that only those activities
7 necessary to achieve compliance are performed in a reasonable and prudent
8 manner. In addition, Progress Energy Florida will evaluate emerging
9 technologies and incorporate their use where reasonable and prudent.

10

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

12 A. Yes, it does.