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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

DONALD R. ENNIS

ON BEHALF OF

PROGRESS ENERGY FLORIDA

DOCKET NO. 080007-EI

AUGUST 4, 2008

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 are your responsibilities in that position?

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.

A. I received a Bachelors of Science degree in Biology from Campbell University
In addition, I am a Registered Environmental Manager with the National

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1 Registry of Environmental Professionals. Currently I hold the position of
2 Manager, Environmental Permitting & Compliance. Prior to my current
3 assignment, I held several environmental management positions with Progress
4 Energy Carolina and Progress Energy Service Company, LLC.

5
6 **Q. What is the purpose of your testimony?**

7 **A.** The purpose of my testimony is to explain material variances between the
8 Estimated/Actual project expenditures versus the original cost projections for
9 environmental compliance costs associated with Progress Energy Florida
10 (PEF)'s Substation Environmental Investigation, Remediation, and Pollution
11 Prevention Program, Distribution System Environmental Investigation,
12 Remediation, and Pollution Prevention Program, and the Sea Turtle Coastal
13 Street Lighting Program for the period January 2008 through December 2008.

14
15 **Q. Please explain the variance between the Estimated/Actual project**
16 **expenditures and the original projections for the Substation System**
17 **Program for the period January 2008 to December 2008.**

18 **A.** O&M project expenditures for the Substation System Program are estimated to
19 be \$2,736,930 or 125% higher than originally projected. This increase is
20 primarily attributable to higher amounts of subsurface contamination
21 encountered during remediation of substations that was not evident during the
22 original visual environmental inspections.

23

1 **Q. Please explain the variance between the Estimated/Actual project**
2 **expenditures and the original projections for the Distribution System**
3 **Program for the period January 2008 to December 2008.**

4 **A.** O&M project expenditures for the Distribution System Program are estimated to
5 be \$427,507 or 3% higher than originally projected. The increase is driven by a
6 higher unit cost than forecasted and the carryover of uncompleted work from the
7 2007 work plan. The higher unit costs are associated with remediation sites that
8 took longer than one day (as originally projected) to complete because of soil
9 conditions or extent of the contamination.

10

11 **Q. Please explain the variance between the Estimated/Actual project**
12 **expenditures and the original projections for the Sea Turtle Program for**
13 **the period January 2008 to December 2008.**

14 **A.** O&M project expenditures for the Sea Turtle Program are estimated to be
15 \$173,289 or 162% lower than originally projected. This decrease is attributable
16 to lower than anticipated costs of the study to be conducted jointly with the
17 University of Florida as part of the compliance program. The study is designed
18 to further our understanding of the light spectrum which will be used to identify
19 new and/or emerging lighting technologies that provide additional options for
20 ensuring compliance with applicable sea turtle ordinances and criteria.

21

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

23 **A.** Yes.