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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

KEVIN MURRAY

ON BEHALF OF

PROGRESS ENERGY FLORIDA

DOCKET NO. 090007-EI

AUGUST 28, 2009

Q. Please state your name and business address.

A. My name is Kevin Murray. My business address is 299 First Avenue North, Saint Petersburg, Florida, 33701.

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

A. I am employed by Progress Energy Florida ("PEF") as General Manager of Plant Construction Projects.

Q. What are your responsibilities as General Manager of Florida Construction Projects?

A. As General Manager of Plant Construction Projects, I am responsible for the oversight of PEF's major fossil generation projects, including the Crystal River Units 4 and 5 air quality control system projects.

COM _____
OCR
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SSC _____
SGA _____
ADM _____
CLK _____

1 **Q. Please describe your educational background and professional experience.**

2 A. I received my Bachelor of Science Degree in Mechanical Engineering from the
3 University of Arizona. I have 15 years of professional experience in engineering
4 and project management within the electric power industry. I started my career in
5 the power industry with Westinghouse Power Generation (now Siemens) based in
6 Orlando, where I was employed as an engineer working on power plant proposals.
7 During this time, I received an award for my work on a project in Thailand. I went
8 to work for El Paso Corporation as an engineer and then as a project manager. I
9 was involved in both North and South America, including 1-year residency in
10 Brazil. I joined Progress Energy in 2004 and served as the director of engineering
11 for the Company's new fossil power projects. In 2008, I was promoted to General
12 Manager of Projects for Progress Energy Florida, which includes responsibility for
13 implementing the Crystal River Units 4 and 5 air quality control system projects.

14
15 **Q. Have you previously submitted testimony in this proceeding?**

16 A. No.

17
18 **Q. What is the purpose of your testimony?**

19 A. The purpose of my testimony is to update the Commission on the Crystal River
20 Units 4 and 5 air quality control system project ("Crystal River Project") included
21 in PEF's Integrated Clean Air Compliance Plan. I also will present PEF's current
22 estimates of the costs that will be incurred in the 2010 for the Crystal River
23 Project.

24

1 **Q. Have you prepared or caused to be prepared under your direction,**
2 **supervision or control any exhibits in this proceeding?**

3 A. Yes. I am co-sponsoring the following portions of the schedule (TGF-3)
4 attached to Thomas G. Foster's testimony:

- 5 • 42-5P page 7 of 14 - Integrated Clean Air Compliance Plan (CAIR)

6
7 **Q. How far along is PEF in implementing the Crystal River Project?**

8 A. The Crystal River Project remains on schedule to meet the in-service dates set
9 forth in the Integrated Clean Air Compliance Plan approved by the Commission in
10 2007. Through July 2009, we have incurred or have committed to incur capital
11 costs of approximately \$995.8 million and \$93.2 million of AFUDC on the
12 Project. This represents approximately 88 percent of the total projected costs of
13 the Project, as presented in the Integrated Clean Air Compliance Plan approved by
14 the Commission in Docket No. 070007-EI

15
16 **Q. What project milestones do you expect to achieve in 2010?**

17 A. We currently expect to achieve several significant project milestones in 2010. In
18 [REDACTED], we expect to place the Crystal River Unit 4 selective catalytic ("SCR")
19 system and the Unit 4 Flue Gas Desulfurization ("FGD" or "scrubber") system
20 into service. In his pre-filed testimony, Mr. Foster explains the impact of placing
21 these controls and associated equipment in-service on PEF's ECRC factors.

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1 **Q. What are PEF's projected 2010 expenditures for the Crystal River Project**
2 **(Project 7.4)?**

3 A. As shown in Form 42-4P page 9 in Exhibit No. __ (TGF-3) to the testimony of
4 Thomas G. Foster. PEF currently is projecting to spend approximately \$58.1
5 million in capital expenditures on the Crystal River Project in 2010. The scope of
6 work for 2010 includes the finalization of the Unit 4 SCR and FGD projects.

7

8 **Q. What measures are PEF implementing to ensure that the level of**
9 **expenditures for the Crystal River Project is reasonable and prudent?**

10 A. PEF will continue to implement the measures discussed in prior testimony to
11 ensure that costs incurred are reasonable and prudent. Among other things, we
12 will continue to regularly track project expenditures against the detailed project
13 scopes to ensure that PEF receives what it contracted for and that any scope
14 changes are properly evaluated and documented. We also will continue to
15 conduct regularly scheduled meetings with the primary contractors and senior
16 management to maintain supervision of the project, to ensure that management
17 remains fully informed, and to ensure that management expectations are
18 communicated to the outside vendors and the project team

19

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

21 A. Yes, it does.