

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

PATRICIA Q. WEST

ON BEHALF OF

PROGRESS ENERGY FLORIDA

DOCKET NO. 100007-EI

August 27, 2010

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

**A.** My name is Patricia Q. West. My business address is 299 1<sup>st</sup> Avenue North, St. Petersburg, Florida, 33701.

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

**A.** I am employed by the Environmental Services Section of Progress Energy Florida ("Progress Energy" or "Company") as Manager of Environmental Services / Energy Supply Florida. In that position I have responsibility to ensure that environmental technical and regulatory support is provided during the implementation of compliance strategies associated with the environmental requirements for power generation facilities in Florida.

**Q. Have you previously filed testimony before this Commission in this proceeding?**

**A.** Yes, I have.

COM 5  
APA 1  
ECR 6  
GCL 1  
RAD 1  
SSC  
ADM  
OPC  
CLK G.R.P.R

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

3 **A. Yes.**

4  
5 **Q. What is the purpose of your testimony?**

6 **A. This testimony provides estimates of the costs that will be incurred in the year**  
7 **2011 for environmental programs that fall within the scope of my**  
8 **responsibilities to support Progress Energy's power generation group. These**  
9 **programs include the Pipeline Integrity Management Program (Project No. 3),**  
10 **Aboveground Storage Tanks Secondary Containment Program (Project No. 4),**  
11 **Phase II Cooling Water Intake 316(b) Program (Project No. 6), the Integrated**  
12 **Air Compliance Program associated with combustion turbines (Project No. 7.2),**  
13 **and operation of the air emission controls at Crystal River Units 4 and 5 (Project**  
14 **No. 7.4), Arsenic Groundwater Standard Program (Project No. 8),**  
15 **Underground Storage Tank Program (Project No. 10), the Modular Cooling**  
16 **Tower Program (Project No. 11), the Thermal Discharge Permanent Cooling**  
17 **Tower (Project 11.1), the Green House Gas Inventory and Reporting Program**  
18 **(Project No. 12), the Mercury TMDL project (Project No. 13), Hazardous Air**  
19 **Pollutants (HAPs) ICR Program (Project No. 14), and the Effluent Limitation**  
20 **Guidelines ICR Program (Project No. 15).**

21  
22 **Q. Have you prepared or caused to be prepared under your direction,**  
23 **supervision or control any exhibits in this proceeding?**

1 A. Yes. I am co-sponsoring the following portions of Exhibit No. \_\_\_ (TGF-3) to  
2 the testimony of PEF witness Thomas G. Foster:

- 3 ● 42-5P page 3 of 16 - Pipeline Integrity Management
- 4 ● 42-5P page 4 of 16 - Above Ground Storage Tank Containment
- 5 ● 42-5P page 6 of 16 - Phase II Cooling Water Intake
- 6 ● 42-5P page 8 of 16 - Arsenic Groundwater Standard
- 7 ● 42-5P page 10 of 16 - Underground Storage Tanks
- 8 ● 42-5P page 11 of 16 - Modular Cooling Towers
- 9 ● 42-5P page 12 of 16 - Crystal River Thermal Discharge Project
- 10 ● 42-5P page 13 of 16 - Greenhouse Gas Inventory and Reporting
- 11 ● 42-5P page 14 of 16 - Mercury Total Daily Maximum Loads Monitoring
- 12 ● 42-5P page 15 of 16 - Hazardous Air Pollutants (HAPs) ICR Program
- 13 ● 42-5P page 16 of 16 - Effluent Limitation Guidelines ICR Program

14  
15  
16 **Q. What costs do you expect to incur in 2011 in connection with the Pipeline**  
17 **Integrity Management Program (Project No. 3)?**

18 A. For 2011, we project that Progress Energy Florida will incur a total of  
19 \$1,593,000 in O&M and \$130,000 in capital expenditures to comply with the  
20 Pipeline Integrity Management ("PIM") regulations (49 CFR Part 195). Recent  
21 amendments to this regulation improve opportunities to reduce risk through  
22 more effective control of pipelines. Compliance with these amendments will  
23 enhance pipeline safety by coupling strengthened control room management

1 with improved controller training and fatigue management. Progress Energy  
2 must develop Bartow-Anclote Pipeline (“BAP”) control room management  
3 procedures by August 1, 2011 and implement said procedures by February 1,  
4 2013. Additional requirements include: development and implementation of  
5 BAP Control Room Management procedures; updating training programs to  
6 include additional requirements and procedures; building and installing BAP  
7 pipeline simulator; and developing training plans.

8

9 **Q. What are the steps that the Company is taking to ensure that the level of**  
10 **expenditures for the Pipeline Integrity Management Program is reasonable**  
11 **and prudent?**

12 **A.** As additional work is identified to comply with the PIM regulations, Progress  
13 Energy Florida will identify qualified suppliers of the necessary services through  
14 a competitive bidding process.

15

16 **Q. What costs do you expect to incur in 2011 in connection with the**  
17 **Aboveground Storage Tank Secondary Containment Program (Project 4)?**

18 **A.** Progress Energy Florida is not projecting to spend any funds on this program  
19 during 2011.

20

21 **Q. What costs do you expect to incur in 2011 in connection with the Phase II**  
22 **Cooling Water Intake Program (Project 6)?**

1    **A.**    EPA is expected to issue a new proposed 316(b) rule during the latter part of  
2            2010 that would become final in 2012; therefore, Progress Energy Florida is not  
3            anticipating any costs to be incurred in 2011.

4  
5    **Q.**    **What O&M costs do you expect to incur in 2011 in connection with the**  
6            **components of the CAIR Program under your responsibility (Project No.**  
7            **7.2)?**

8    **A.**    PEF expects to incur \$ 131,200 in O&M expenditures for the operation and  
9            maintenance of predictive emissions monitoring systems at the combustion  
10           turbine sites. O&M costs for ongoing software vendor support of these new  
11           systems are projected to be \$43,700. Air emissions testing requirements are  
12           expected to be approximately \$87,500 in order to comply with 40 CFR 75,  
13           Appendix E, Section 2.2 to reset correlation curves every 20 quarters. This  
14           testing will be performed on all of PEF's Predictive Emission Monitoring  
15           System ("PEMS") between 2011 and 2013. Air emissions testing may also be  
16           required after maintenance activities.

17  
18   **Q.**    **Are there any additional O&M costs that you expect to incur in 2011 in**  
19            **connection with the CAIR Program (Project No. 7.4)?**

20   **A.**    Yes. PEF expects to incur additional capital and O&M costs associated with the  
21           air quality control projects at Crystal River Units 4 and 5. Those additional  
22           costs are discussed in the testimony of PEF witness David Sorrick.

23

1 **Q. What costs do you expect to incur in 2011 in connection with the Arsenic**  
2 **Groundwater Standard Program (Project No. 8)?**

3 **A.** Progress Energy Florida estimates that approximately \$15,000 will be spent on  
4 this program in 2011. This estimate is based upon the expectation that work will  
5 continue to comply with the Florida Department of Environmental Protection's  
6 industrial wastewater permit for the Crystal River Energy Complex (January 9,  
7 2007) and the modified Conditions of Certification (May 14, 2010).

8

9 **Q. What steps is the Company taking to ensure that the level of expenditures**  
10 **for the Arsenic Groundwater Standard Program is reasonable and**  
11 **prudent?**

12 **A.** As additional work is identified to comply with the Arsenic standard, Progress  
13 Energy Florida will continue to work with selected suppliers of the necessary  
14 services, while managing scope of work and associated costs.

15

16 **Q. What costs do you expect to incur in 2011 in connection with the**  
17 **Underground Storage Tanks Program (Project No. 10)?**

18 **A.** PEF is not anticipating any expenditures for this program during 2011.

19

20 **Q. What costs do you expect to incur in 2011 in connection with the Modular**  
21 **Cooling Tower Program (Project 11)?**

22 **A.** PEF is projecting to spend approximately \$3,300,000 in O&M expenditures for  
23 this program in 2011. These costs are for rental fees associated with the  
24 extension of the five-year lease agreement that began in 2006.

1 **Q. What costs do you expect to incur in 2011 in connection with the Thermal**  
2 **Discharge Permanent Cooling Tower (Project No. 11.1)?**

3 **A.** PEF is projecting to spend approximately \$30.7 million in ECRC capital  
4 expenditures in 2011. These costs are associated with equipment procurement,  
5 site preparation, and construction activities associated with the cooling tower  
6 basin, intake/discharge structures, and related systems/structures. PEF expects  
7 to place the cooling tower in service before completion of the Extended Power  
8 Uprate work on the Crystal River Unit3 Uprate project during the next refueling  
9 outage in 2012.

10  
11 **Q. What costs do you expect to incur in 2011 in connection with the Green**  
12 **house Gas (GHG) Inventory and Reporting Program (Project No. 12)?**

13 **A.** PEF is projecting to spend approximately \$4,500 in O&M for this program in  
14 2011. These costs are for possible need for contractor support as PEF transitions  
15 reporting processes to comply with EPA's GHG Reporting Rule (40 CFR 98)  
16 that was finalized in April 2010. No Climate Registry fee or third-party  
17 verification is required under the federal rule.

18  
19 **Q. What steps is the Company taking to ensure that the level of the**  
20 **expenditure for the Green house Gas Inventory and Reporting Program is**  
21 **reasonable and prudent?**

22 **A.** If additional work is identified to comply with the program, Progress Energy  
23 Florida will continue to work with selected suppliers of the necessary services,  
24 while managing scope of work and associated costs.

1    **Q.    What costs do you expect to incur in 2011 in connection with the Mercury**  
2       **TMDL Program (Project No. 13)?**

3    **A.    Consistent with the March 4, 2009, Petition seeking approval of this new**  
4       **program, PEF expects to spend approximately \$38,000 in 2011. These costs**  
5       **will cover ongoing participation in the FCG / FDEP effort with modeling results**  
6       **and data analyses to be used in the development of upcoming rules.**

7  
8    **Q.    What steps is the Company taking to ensure that the level of the**  
9       **expenditure for the Mercury TMDL Program is reasonable and prudent?**

10   **A.    PEF's has agreed to this level of expenditure in support of the FCG effort with**  
11     **FDEP. No additional funds can be spent without PEF's review and concurrence.**

12  
13   **Q.    What costs do you expect to incur in 2011 in connection with the Hazardous**  
14     **Air Pollutants (HAP) Program (Project No. 14)?**

15   **A.    PEF is not anticipating any expenditures for this program during 2011.**

16  
17   **Q.    What costs do you expect to incur in 2011 in connection with the Effluent**  
18     **Limitation Guidelines ICR Program (Project No. 15)?**

19   **A.    PEF is not anticipating any expenditures for this program during 2011.**

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

22   **A.    Yes it does.**