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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

COREY ZEIGLER

ON BEHALF OF

PROGRESS ENERGY FLORIDA

DOCKET NO. 120007-EI

April 2, 2012

Q. Please state your name and business address.

A. My name is Corey Zeigler. 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 Florida (PEF) as Manager, Environmental Services and Strategy for Delivery and Services.

Q. What are your responsibilities in that position?

A. Currently, my responsibilities include managing environmental permitting and compliance activities for Energy Delivery Florida. Energy Delivery Florida is part of the Florida Distribution Business unit of which I support the Distribution, Transmission Operations and Planning, and the Corporate Services Departments.

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

3 A. I received a Bachelors of Science degree in General Business Administration
4 and Management from the University of South Florida. Prior to my current role,
5 I was the Health and Safety Manager for Progress Energy Florida Transmission
6 and Delivery. I have 20 years experience in the utility industry holding various
7 operational, supervisor and managerial roles at Progress Energy.

8

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

12 A. Yes.

13

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

15 A. The purpose of my testimony is to explain material variances between the actual
16 project expenditures versus the estimated/actual project expenditures for
17 environmental compliance costs associated with PEF's Substation
18 Environmental Investigation, Remediation, and Pollution Prevention Program
19 (Project 1 & 1a) and the Distribution System Environmental Investigation,
20 Remediation, and Pollution Prevention Program (Project 2).

21

1 **Q. How did actual O&M expenditures for January 2011 through December**
2 **2011 compare with PEF's estimated/actual projections as presented in**
3 **previous testimony and exhibits for the Substation System Program?**

4 A. The project expenditure variance for the Substation System Program was
5 \$1,620,074 or 20% higher than projected. The variance is attributed to higher
6 amounts of subsurface contamination encountered during remediation of sites
7 than was re-projected in the estimated/actual filing. PEF notes that the extent
8 and depth of subsurface contamination can only be determined when the site is
9 excavated. Furthermore, the amount of soil that needs to be removed to achieve
10 FDEP clean-up target levels depends upon the results of tests conducted in the
11 field as the remediation is conducted. As work proceeds, PEF updates unit cost
12 estimates based upon actual invoices received from contractors.

13
14 **Q. How did actual O&M expenditures for January 2011 through December**
15 **2011 compare with PEF's estimated/actual projections as presented in**
16 **previous testimony and exhibits for the Distribution System Program?**

17 A. The project expenditure variance for the Distribution System Program was
18 \$39,367 or 1% higher than projected. The variance is attributed to
19 unpredictability of conditions at each abatement location.

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

22 A. Yes.