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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

MARK HELLSTERN

ON BEHALF OF

DUKE ENERGY FLORIDA

DOCKET NO. 130007-EI

August 30, 2013

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

A. My name is Mark Hellstern. My business address is 1729 Bailles Bluff Rd.,  
Holiday, Florida, 34691.

**Q. Have you previously filed testimony before this Commission in Docket No. 130007-EI?**

A. Yes, I provided direct testimony on August 1, 2013.

**Q. Has your job description, education background or professional experience changed since that time?**

A. No.

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

A. The purpose of my testimony is to provide an update on the Mercury and Air  
Toxics Standards (MATS) - Anclote Gas Conversion Project (Project 17.1),

1 specifically the projected costs that the Company will incur on this project in  
2 2014.

3

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

6 **A.** Yes. I am co-sponsoring the following portions of Exhibit No. \_\_ (TGF-5) to  
7 Thomas G Foster’s testimony:

- 8 • 42-5P page 20 - Mercury & Air Toxic Standards (MATS) - Anclote Gas  
9 Conversion.

10

11 **Q. What are the estimated total project costs for the MATS – Anclote Gas  
12 Conversion Project (Project 17.1)?**

13 **A.** The Company’s current project estimate to complete is approximately \$126.5  
14 million. This estimate is higher than the \$94.3 million estimate provided in the  
15 April 1, 2013 testimony of Mr. Hixon, which I am adopting due to Mr. Hixon’s  
16 retirement. The increased costs are primarily attributable to the need for new  
17 FD fans discussed in Mr. Hixon’s testimony, as well as the additional scope  
18 changes necessary to address “as found” boiler conditions and other scope  
19 increases for the gas conversion as discussed in my testimony of August 1,  
20 2013.

21

22 **Q. What costs do you expect to incur in 2014 in connection with the MATS –  
23 Anclote Gas Conversion Project (Project 17.1)?**

1 A. We currently expect to incur approximately \$33.4 million of costs for the project  
2 in 2014. Such costs will be incurred for: contractor mobilization; some  
3 permitting activities; FD Fan Modification detailed engineering services; BOP  
4 engineered equipment procurement for the FD Fan Modification scope; some  
5 construction completion costs for Unit 2 gas conversion; field engineering,  
6 contractor construction execution, and remaining procurement of components  
7 for the FD Fan Modification.

8

9 **Q. Does the Anclote Gas Conversion Project remain on schedule to meet its**  
10 **targeted in-service date?**

11 A. Yes, as indicated in my August 1, 2013 testimony, most of the Unit 1 work was  
12 completed on July 13, 2013 and DEF continues to expect that most of the Unit 2  
13 work will be completed by mid-December 2013. As described above, there is  
14 still work that needs to be done in 2014 primarily related to FD fan  
15 modifications.

16

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

18 A. Yes.

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