



Matthew R. Bernier
ASSOCIATE GENERAL COUNSEL

April 3, 2020

VIA ELECTRONIC FILING

Adam J. Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: *Environmental Cost Recovery Clause; Docket No. 20200007-EI*

Dear Mr. Teitzman:

On behalf of Duke Energy Florida, LLC (“DEF”), please find enclosed DEF’s supplemental filing regarding DEF’s Petition for Approval of Environmental Cost Recovery Clause Final True-Up for the Period January 2019 – December 2019. This supplemental filing includes the Pre-filed Direct Testimony of Jeffrey Swartz which was inadvertently omitted from the e-filed version posted to the docket on April 1, 2020, though the word version of the testimony was served on all parties to the docket, including Commission Staff.

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Sincerely,

/s/ Matthew R. Bernier

Matthew R. Bernier

MRB/cmkn
Enclosure

cc: Parties of Record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

JEFFREY SWARTZ

ON BEHALF OF

DUKE ENERGY FLORIDA, LLC

DOCKET NO. 20200007-EI

April 1, 2020

Q. Please state your name and business address.

A. My name is Jeffrey Swartz. My business address is 8202 W. Venable St,
Crystal River, FL 34429.

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

A. I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”) as
Vice President – Fossil/Hydro Operations Florida.

Q. What are your responsibilities in that position?

A. As Vice President of DEF’s Fossil/Hydro organization, my responsibilities
include overall leadership and strategic direction of DEF’s power generation
fleet. My responsibilities include strategic and tactical planning to operate and
maintain DEF’s non-nuclear generation fleet; generation fleet project and
addition recommendations; major maintenance programs; outage and project
management; generation facilities retirement; asset allocation; workforce
planning and staffing; organizational alignment and design; continuous business

1 improvement; retention and inclusion; succession planning; and oversight of
2 numerous employees and hundreds of millions of dollars in assets and capital
3 and O&M budgets.

4
5 **Q. Please describe your educational background and professional experience.**

6 A. I earned a Bachelor of Science degree in Mechanical Engineering from the
7 United States Naval Academy in 1985. I have 19 years of power plant and
8 production experience at Duke Energy in various managerial and executive
9 positions in fossil steam, combustion turbine and nuclear plant operations. I also
10 managed new construction and O&M projects. I have extensive contract
11 negotiation and management experience. My prior experience includes nuclear
12 engineering and operations experience in the United States Navy, and project
13 management, engineering, supervisory and management oversight experience
14 with a pulp, paper and chemical manufacturing company.

15
16 **Q. Have you previously filed testimony before this Commission in connection
17 with DEF's Environmental Cost Recovery Clause ("ECRC")?**

18 A. Yes.

19
20 **Q. What is the purpose of your testimony?**

21 A. The purpose of my testimony is to explain material variances between actual and
22 actual/estimated project expenditures for environmental compliance costs
23 associated with DEF's Integrated Clean Air Compliance Program (Project 7.4),

1 Mercury and Air Toxics Standards (“MATS”) - Anclote Gas Conversion Project
2 (Project 17.1), and Mercury & Air Toxics Standards (MATS) – CR 1&2 (Project
3 17.2) for the period January 2019 - December 2019.

4
5 **Q. How do actual O&M expenditures for January 2019 - December 2019**
6 **compare with DEF’s actual/estimated projections for the Clean Air**
7 **Interstate Rule/Clean Air Mercury Rule (CAIR/CAMR) Crystal River**
8 **Program (Project 7.4)?**

9 A. The CAIR/CAMR Crystal River O&M variance is \$523,683 or 2% lower than
10 projected. This variance is primarily attributable to \$926k lower than expected
11 CAIR Crystal River – Base, and a \$149k lower than expected CAIR Crystal
12 River – Energy (Reagents). This was partially offset by a \$559k higher than
13 expected CAIR Crystal River – Conditions of Certification Energy costs.

14
15 **Q. Please explain the O&M variance between actual project expenditures and**
16 **actual/estimated projections for the CAIR Crystal River Project – Base for**
17 **January 2019 - December 2019?**

18 A. O&M costs for CAIR Crystal River Project – Base were \$926,227 or 6% lower
19 than projected. This was primarily due to approximately \$430k in lower than
20 projected expenses for contracts primarily related to limestone handling,
21 monitor/control equipment repairs, gypsum dewatering, and ammonia system
22 repairs. Approximately \$296k was due to the timing of filling labor vacancies
23 and approximately \$200k from material expenses due to reduced part repairs.

1

2 **Q: Please explain the O&M variance between actual project expenditures and**
3 **actual/estimated projections for the CAIR Crystal River Project –**
4 **Conditions of Certification (Project 7.4) for January 2019 - December**
5 **2019?**

6 A: O&M costs for CAIR Crystal River Project – Conditions of Certification were
7 \$559,410 or 61% higher than projected. This was primarily due to higher waste
8 water disposal and bulk chemical costs.

9

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

11 A. Yes.