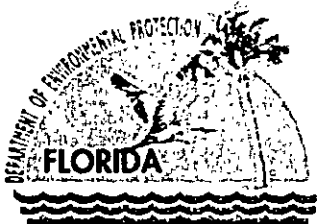


07/28/2000



Jeb Bush
Governor

Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

David B. Struhs
Secretary

SITING BOARD/DEPARTMENT OF ENVIRONMENTAL PROTECTION

STATE OF FLORIDA

COUNTY OF LEON

CERTIFICATE

I, Judy A. Brooks, do hereby certify that the Governor and Cabinet, sitting as the Siting Board for the Department of Environmental Protection, met on July 25, 2000, and approved the following Item 2 on the agenda for that date.

Item 2 Gulf Power Company Final Order

REQUEST: Consideration of an Order, to be executed by the Siting Board, adopting the Administrative Law Judge's Recommended Order recommending the Siting Board grant full and final certification to Gulf Power Company, under section 403, Part II, F.S., for the location, construction and operation of Smith Unit 3, pursuant to subsections 403.509(1), and 403.511(1), F.S.

APPLICANT: Gulf Power Company

COUNTY: Bay

STAFF REMARKS: Gulf Power Company's proposed Unit 3 project consists of two combustion turbines and a single steam turbine operating as a combined cycle unit, with a total summer peak generating capacity of 574 megawatts. The new Unit 3 will be fired only with natural gas. The Lansing Smith Unit 3 site is an approximately 50-acre parcel within the existing, approximately 1384-acre, Gulf Power Company-owned, Lansing Smith Power Plant site. Gulf Power Company currently operates three electrical generating units at the Smith site. These units are directly south of the proposed Unit 3 site. Unit 3 will utilize some of the existing Smith facilities such as transmission lines, wastewater treatment facilities, and cooling water system. The Florida Public Service Commission issued an affirmative need determination on August 2, 1999.

In addition to the combined cycle unit, the Unit 3 site will also contain a new electrical switchyard and a natural gas conditioning and meter station. A new cooling tower will be

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constructed, along with water treatment and storage facilities. The site will also contain a new administration building and stormwater ponds. Gulf Power Company will be "reconductoring" three of the transmission lines that leave the Lansing Smith site and proceed south and east into Lynn Haven, Panama City, and Cedar Grove. No new transmission structures or replacement of existing such structures will be required as part of this activity. Gulf Power Company will mitigate for 15.2 acres of jurisdictional wetlands by enhancing 130 acres of wet pine plantation within a neighboring 232-acre parcel that is contiguous to a large cypress swamp and by placing the mitigation area under a conservation easement.

On December 30, 1999, the Administrative Law Judge issued a Recommended Order finding the site to be in compliance with the local land use plans and zoning ordinances. This Siting Board adopted that Order on February 22, 2000.

On June 19, 2000, the Administrative Law Judge issued his Recommended Order recommending the Siting Board grant full and final certification to Gulf Power Company, under section 403, Part II, F.S., for the location, construction and operation of Smith Unit 3 subject to the Conditions of Certification.

RECOMMEND APPROVAL

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the Department of Environmental Protection on this 25th day of July A.D., 2000.



Judy A. Brooks
Cabinet Affairs Director

SEAL

STATE OF FLORIDA
SITING BOARD

IN RE: GULF POWER COMPANY
(LANSING SMITH UNIT 3
POWER PLANT SITING)
APPLICATION NO. PA99-40

DOAH CASE NO. 99-2641EPP
OGC CASE NO. 99-0972

FINAL ORDER APPROVING CERTIFICATION

On June 19, 2000, an Administrative Law Judge ("ALJ") with the Division of Administrative Hearings ("DOAH") submitted a Recommended Order to the Department of Environmental Protection ("DEP") in this proceeding. Copies of the Recommended Order were served upon the attorneys for DEP, Gulf Power Company ("Gulf"), and upon attorneys or representatives of other designated governmental entities. A copy of the Recommended Order is attached as Exhibit A. The Recommended Order also included the proposed Conditions of Certification, which are attached as Exhibit B. The matter is now before the Governor and Cabinet, sitting as the Siting Board, for final agency action under the Florida Electrical Power Plant Siting Act (hereafter "PPSA"), Sections 403.501 through 403.518, Florida Statutes (F.S.).

BACKGROUND

Gulf Power Company, a subsidiary of Southern Company, is an investor-owned electric utility that supplies electric service in northwest Florida. Gulf Power's Lansing Smith power plant is located in the central portion of Bay County, Florida, approximately 2.5 miles west of the unincorporated community of Southport. Within the approximate 1,384 acres which comprise the Smith Plant are two existing coal-fired electrical generating units along with their supporting facilities. The two existing units have been in operation since 1965 and 1967, respectively.

Gulf Power has proposed to construct and operate a 574 megawatt (MW) natural gas-fired combined cycle electrical generating unit to be known as Smith Unit 3. It will be located at the existing Smith Plant and will more than double the generating capacity at the facility. Smith Unit 3 will employ two combustion turbine units which will each generate approximately 170 MW of electricity. The hot exhaust gases from the two combustion turbines will be captured in two heat recovery steam generators which will produce additional steam-generated electricity of 200 MW. Smith Unit 3 will utilize the existing cooling water discharge from Smith Units 1 and 2 within a new cooling tower.

Smith Unit 3 will use the existing Smith Plant access road, the existing electrical switch yard and the existing transmission lines. Three of these existing electrical transmission lines will be reconducted to replace the existing wires with higher capacity conductors; however, no new electrical transmission structures will be required. No other expansions or other alterations to the Gulf Power transmission system are required as part of this project.

A new 28-mile gas pipeline will be constructed to provide natural gas fuel for Smith Unit 3. This gas pipeline lateral will connect to an existing Florida Gas Transmission pipeline, and will be permitted, constructed, owned and operated solely by Florida Gas Transmission Company.

The Florida Public Service Commission issued an affirmative need determination for Smith Unit 3 on August 2, 1999. The Commission concluded that Smith Unit 3 was necessary to ensure the future reliability and integrity of Gulf Power's electrical system.

PPSA PROCEEDINGS

A PPSA land use hearing was conducted by the ALJ on November 1, 1999, as required by Section 403.508(1), F.S. On December 30, 1999, the ALJ entered a Recommended Order finding and concluding that the subject site is consistent and in compliance with the County's existing land use plans and zoning ordinances. On March 14, 2000, the Siting Board entered an Order adopting the ALJ's Recommended Order and determining that the proposed site is consistent and in compliance with the existing land use plans and zoning ordinances of Bay County.

DEP, the Florida Department of Community Affairs, the Florida Department of Transportation, the Florida Fish and Wildlife Conservation Commission, the Northwest Florida Water Management District, and the West Florida Regional Planning Council each prepared written reports on the project. Each of these agencies recommended approval of Smith Unit 3 or did not object to certification of the proposed power plant.

A PPSA site certification hearing was conducted in Lynn Haven, Florida, by the ALJ on April 3, 2000, as required by Section 403.508(3), F.S. Testimony and documentary evidence were presented at the site certification hearing by Gulf and DEP. This documentary evidence included various Joint Stipulations between the parties and Conditions of Certification as revised by DEP on March 30, 2000. A member of the Bay County Commission spoke in support of the Project. The record reflects that no other agencies or persons appeared at this hearing. On May 1, 2000, Gulf and DEP jointly filed with DOAH a Proposed Recommended Order.

The ALJ concluded in the Recommended Order that Gulf had demonstrated that Smith Unit 3 meets the criteria for certification under the PPSA. The ALJ further concluded that, if operated and maintained in accordance with the Conditions of Certification, Smith Unit 3 will comply with applicable nonprocedural requirements of all agencies, and will result in minimal adverse effects on human health, the environment, the ecology of the land and its wildlife, and the ecology of state waters and aquatic wildlife. The ALJ thus recommended that the Siting Board grant certification of Smith Unit 3 pursuant to the PPSA, subject to DEP's Conditions of Certification.

CONCLUSIONS

No Exceptions have been filed with the Siting Board challenging any of the factual findings, legal conclusions, or recommendations set forth the in the ALJ's Recommended Order. Furthermore, no state, regional, or local agency has recommended denial of site certification for this project. Having reviewed the Recommended Order and other matters of record and being otherwise duly advised, it is ORDERED that:

A. The Recommended Order of the Administrative Law Judge dated June 19, 2000, is approved and adopted by the Board.

B. The Board approves certification for the location, construction, and operation of Smith Unit 3 as proposed in Gulf Power Company's site certification application and the Recommended Order, subject to the Conditions of Certification contained in Exhibit B.

C. Authority to assure and enforce compliance by Gulf and their agents with all of the Conditions of Certification imposed by this Final Order is hereby delegated to DEP.

D. Pursuant to Section 403.516(1), F.S., the Board hereby delegates the authority to the Secretary of DEP to modify any condition of this certification, except that any proposed modification to burn a fuel other than natural gas shall be reviewed by the Board.

Any party to this certification proceeding has the right to seek judicial review of this Final Order pursuant to Section 120.68, F.S., by the filing of a Notice of Appeal pursuant to Rule 9.110, Florida Rules of Appellate Procedure, with the Clerk of the Department of Environmental Protection, Office of General Counsel, 3900 Commonwealth Boulevard, M.S. 35, Tallahassee, Florida, 32399-3000; and by filing a copy of the Notice of Appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The Notice of Appeal must be filed within 30 days from the date this Final Order is filed with the Clerk of the Department.

DONE AND ORDERED this 21 day of July, 2000, in Tallahassee, Florida, pursuant to a vote of the Governor and Cabinet, sitting as the Siting Board, at a duly noticed and constituted Cabinet meeting held on July 26, 2000.

THE GOVERNOR AND CABINET
SITTING AS THE SITING BOARD



THE HONORABLE JEB BUSH
GOVERNOR

FILING AND ACKNOWLEDGMENT FILED, ON THIS DATE, PURSUANT TO §120.52 FLORIDA STATUTES, WITH THE DESIGNATED DEPARTMENT CLERK, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED.

CLERK

DATE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Final Order has been sent by United

States Postal Service or interoffice mail on this _____ day of _____, 2000, to:

Douglas S. Roberts, Esquire
William D. Preston, Esquire
Hoping, Green, Sams & Smith
Post Office Box 6526
Tallahassee, Florida 32314-6526

James V. Antista, Esquire
Fish and Wildlife Conservation Commission
620 Meridian Street
Tallahassee, Florida 32399-1600

Andrew S. Grayson, Esquire
Department of Community Affairs
2555 Shumard Oak Boulevard
Tallahassee, Florida 32399-2100

Sheauching Yu, Esquire
Department of Transportation
Haydon Burns Building, M.S. 35
605 Suwannee Street
Tallahassee, Florida 32399-0450

Robert V. Elias, Esquire
Florida Public Service Commission
Gerald Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Daniel F. Kurlmel, Executive Director
West Florida Regional Planning Council
Post Office Box 486
Pensacola, Florida 32593-0486

Douglas Barr, Executive Director
Douglas L. Stowell, Esquire
Northwest Florida Water
Management District
81 Water Management Drive
Havana, Florida 32333

Johnathan Mantay, County Manager
Bay County
Post Office Box 1818
Panama City, Florida 32402-1818

ANN COLE, Clerk
P. MICHAEL RUFF
Administrative Law Judge
Division of Administrative Hearings
The DeSoto Building
1230 Apalachee Parkway
Tallahassee, Florida 32399-3060

and by hand delivery to:

Scott Goorland, Esquire
Department of Environmental Protection
3900 Commonwealth Blvd., M.S. 35
Tallahassee, FL 32399-3000

Hamilton S. Oven
Office of Siting Coordination
Department of Environmental Protection
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

Chris McGuire
Assistant General Counsel
3900 Commonwealth Blvd., M.S. 35
Tallahassee, FL 32399-3000
Telephone 850/921-9627