

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
NOTICE OF FINAL PERMIT

In the Matter of an
Application for Permit by:

Gene L. Ussery, Jr.
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0100

DEP File No. 0050014-011-AC
Lansing Smith Electric Generating Plant
Bay County

Enclosed is Final Permit Number 005014-011-AC. This permit authorizes Gulf Power Company to establish the compliance method for the permitted capacity as the use of composite fuel samples taken by on-site personnel. This permit is issued pursuant to Chapter 403, Florida Statutes.

Any party to this order has the right to seek judicial review of it under section 120.68 of the Florida Statutes, by filing a notice of appeal under rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel, Mail Station #35, 3900 Commonwealth Boulevard, 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 must be filed within thirty days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.



Trina L. Vielhauer, Chief
Bureau of Air Regulation

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Notice of Final Permit (including the Final permit) was sent by certified mail (*) and copies were electronically mailed by Internet e-mail before the close of business on 11/10/04 to the person(s) listed:

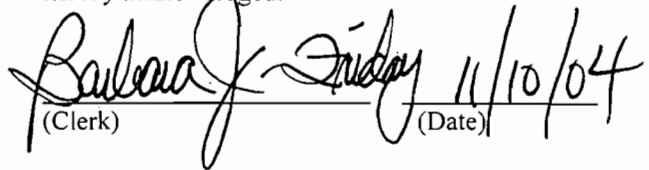
Mr. Kennard Kosky, P.E. (kkosky@golder.com)

Mr. Kevin White, P.E., DEP-NWD (kevin.white@dep.state.fl.us)

Mr. G. Dwain Waters, QEP, Gulf Power Company (GDWATERS@southernco.com)

Clerk Stamp

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) 11/10/04 (Date)

FINAL DETERMINATION

Gulf Power Company
Lansing Smith Electric Generating Plant
DEP File No. 0050014-011-AC

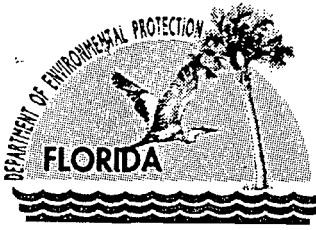
The Department distributed a public notice package on September 21, 2004, to establish the compliance method for the permitted capacity as the use of composite fuel samples taken by on-site personnel at the Gulf Power Lansing Smith Electric Generating Plant located at 4300 Highway 2300, Southport, Bay County. The Public Notice of Intent to Issue was published in The Panama City News Herald on October 6, 2004.

COMMENTS/CHANGES

No comments were received by the Department in response to the Draft permit and Public Notice.

CONCLUSION

The final action of the Department is to issue the final permit as it was noticed.



Department of Environmental Protection

Jeb Bush
Governor

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Colleen M. Castille
Secretary

November 8, 2004

CERTIFIED MAIL – Return Receipt Requested

Mr. Gene L. Ussery, Jr.
V.P. of Power Generation/Transmission
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0328

Dear Mr. Ussery:

RE: Compliance Determination Method for Heat Input Limits on Units 1 and 2
Gulf Power Company - Smith Electric Generating Plant
Project No.: 0050014-011-AC

This permitting project establishes the compliance method for the permitted capacity on Units 1 and 2 as the use of composite fuel samples taken by on-site personnel.

1. Other Permits. The conditions of this permit supplement all previously issued air construction and operation permits for this facility. Unless otherwise specified, these conditions are in addition to all other applicable permit conditions and regulations.
[Rule 62-4.070, F.A.C.]

2. To establish the method for demonstrating compliance with the permitted capacity on Units 1 and 2 as the use of the on-site composite fuel samples, the following condition is added.

Permitted Capacity. The maximum operation heat input rate is as follows:

<u>Unit No.</u>	<u>MMBtu/hr Heat Input</u>	<u>Fuel Type</u>
-001	1,944.8	Coal
	153	No. 2 Fuel Oil
	153	On-Specification Used Oil
-002	2,246.2	Coal
	76	No. 2 Fuel Oil
	76	On-Specification Used Oil

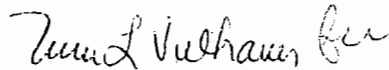
Note: When a blend of fuels is fired, the heat input shall be prorated based on the percent heat input of each fuel.

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Compliance with the above heat input limitations shall be demonstrated solely through the use of the composite fuel samples taken by on-site personnel. Records of the composite samples (typically taken daily as-fired for solid fuel and per shipment (after blending) for liquid fuel) shall be maintained on-site for a period of five years and shall be made available for Department inspection upon request.
[Applicant Request; and, Rule 62-4.070, F.A.C.]

Sincerely,



Michael G. Cooke, Director
Division of Air Resource Management

MGC/jkh

Enclosures

cc: Trina Vielhauer, DEP - BAR
Bruce Mitchell, DEP - BAR
Sandra Veazey, DEP - NWD
G. Dwain Waters, Q.E.P., GPC

Jim Pennington, DEP - BAR
Cleve Holladay, DEP - BAR
Andy Allen, DEP - NWD

ATTACHMENT GENERAL CONDITIONS

Rule 62-4.160, F.A.C.

- G.1 The terms, conditions, requirements, limitations, and restrictions set forth in this permit are "Permit Conditions" and are binding and enforceable pursuant to Sections 403.161, 403.727, or 403.859 through 403.861, Florida Statutes. The permittee is placed on notice that the Department will review this permit periodically and may initiate enforcement action for any violation of these conditions.
[Rule 62-4.160(1), F.A.C.]
- G.2 This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings or exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Department.
[Rule 62-4.160(2), F.A.C.]
- G.3 As provided in Subsections 403.087(6) and 403.722(5), Florida Statutes, the issuance of this permit does not convey any vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations. This permit is not a waiver or approval of any other Department permit that may be required for other aspects of the total project which are not addressed in the permit.
[Rule 62-4.160(3), F.A.C.]
- G.4 This permit conveys no title to land or water, does not constitute State recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title.
[Rule 62-4.160(4), F.A.C.]
- G.5 This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department.
[Rule 62-4.160(5), F.A.C.]
- G.6 The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed or used by the permittee to achieve compliance with the conditions of this permit, as required by Department rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by Department rules.
[Rule 62-4.160(6), F.A.C.]
- G.7 The permittee, by accepting this permit, specifically agrees to allow authorized Department personnel, upon presentation of credentials or other documents as may be required by law and at a reasonable time, access to the premises, where the permitted activity is located or conducted to:
- (a) Have access to and copy and records that must be kept under the conditions of the permit;
 - (b) Inspect the facility, equipment, practices, or operations regulated or required under this permit, and,
 - (c) Sample or monitor any substances or parameters at any location reasonably necessary to assure compliance with this permit or Department rules.

Reasonable time may depend on the nature of the concern being investigated.
[Rule 62-4.160(7), F.A.C.]

- G.8 If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide the Department with the following information:
- (a) A description of and cause of non-compliance; and
 - (b) The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the non-compliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the non-compliance. The permittee shall be responsible for any and all damages which may result and may be subject to enforcement action by the Department for penalties or for revocation of this permit.
- [Rule 62-4.160(8), F.A.C.]
- G.9 In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to the Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department rules, except where such use is prescribed by Sections 403.73 and 403.111, Florida Statutes. Such evidence shall only be used to the extent it is consistent with the Florida Rules of Civil Procedure and appropriate evidentiary rules.
- [Rule 62-4.160(9), F.A.C.]
- G.10 The permittee agrees to comply with changes in Department rules and Florida Statutes after a reasonable time for compliance, provided, however, the permittee does not waive any other rights granted by Florida Statutes or Department rules.
- [Rule 62-4.160(10), F.A.C.]
- G.11 This permit is transferable only upon Department approval in accordance with Florida Administrative Code Rules 62-4.120 and 62-730.300, F.A.C., as applicable. The permittee shall be liable for any non-compliance of the permitted activity until the transfer is approved by the Department.
- [Rule 62-4.160(11), F.A.C.]
- G.12 This permit or a copy thereof shall be kept at the work site of the permitted activity.
- [Rule 62-4.160(12), F.A.C.]
- G.13 This permit also constitutes:
- (a) Determination of Best Available Control Technology ()
 - (b) Determination of Prevention of Significant Deterioration (); and
 - (c) Compliance with New Source Performance Standards ().
- [Rule 62-4.160(13), F.A.C.]
- G.14 The permittee shall comply with the following:
- (a) Upon request, the permittee shall furnish all records and plans required under Department rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Department.
 - (b) The permittee shall hold at the facility or other location designated by this permit records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application or this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by Department rule.
 - (c) Records of monitoring information shall include:
 - 1. The date, exact place, and time of sampling or measurements;
 - 2. The person responsible for performing the sampling or measurements;
 - 3. The dates analyses were performed;
 - 4. The person responsible for performing the analyses;
 - 5. The analytical techniques or methods used; and
 - 6. The results of such analyses.
- [Rule 62-4.160(14), F.A.C.]

- G.15 When requested by the Department, the permittee shall within a reasonable time furnish any information required by law which is needed to determine compliance with the permit. If the permittee becomes aware that relevant facts were not submitted or were incorrect in the permit application or in any report to the Department, such facts or information shall be corrected promptly.
[Rule 62-4.160(15), F.A.C.]

Florida Department of
Environmental Protection

Memorandum

TO: Michael G. Cooke

THRU: Trina Vielhauer
Jim Pennington *JMP*

FROM: Jonathan Holtom *J.H.*

DATE: November 8, 2004

SUBJECT: Final Construction Permit for Gulf Power Lansing Smith Electric Generating Plant

Attached for approval and signature is a Final construction permit for Gulf Power Company's Lansing Smith Electric Generating plant. This permitting project establishes the compliance method for the permitted capacity as the use of composite fuel samples taken by on-site personnel. .

The Public Notice requirements were met on October 6, 2004, by publishing in The Panama City News Herald. No comments have been received from the public in response to this Public Notice, and no petitions were filed for an Administrative Hearing.

I recommend your approval and signature.

Attachments

/jh

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

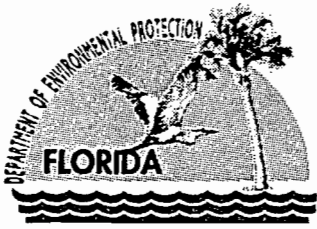
7000 0600 0026 4129 8849

Gene L. Ussery

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Recipient's Name (Please Print Clearly) (to be completed by mailer)
Gene L. Ussery
Street, Apt. No., or PO Box No.
One Energy place
City, State, ZIP+4
Pensacola, Florida 32520-0111



Department of Environmental Protection

Jeb Bush
Governor

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Colleen M. Castille
Secretary

September 21, 2004

Mr. Gene L. Ussery, Jr.
V.P. Power Generation
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0100

Re: Revised Air Construction Permit, DRAFT Permit No.: 0050014-011-AC
Title V Air Operation Permit Renewal, DRAFT Permit No.: 0050014-010-AV
Smith Electric Generating Plant

Dear Mr. Ussery:

One copy of the combined Public Notice, the Draft Air Construction Permit, and the DRAFT Title V Air Operation Permit Renewal for the Smith Electric Generating Plant located at 4300 Highway 2300, Southport, Bay County, is enclosed. The permitting authority's "INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT" and the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT" are also included.

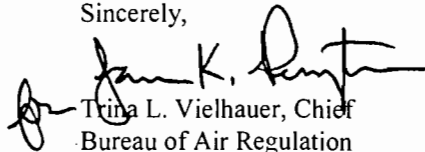
An electronic version of the DRAFT Permits have been posted on the Division of Air Resource Management's World Wide Web site for the United States Environmental Protection Agency (USEPA) Region 4 office's review. The web site address is:

"<http://www.dep.state.fl.us/air/eproducts/ards/default.asp>".

The "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT" must be published as soon as possible upon receipt of this letter. Proof of publication, i.e., newspaper affidavit, must be provided to the permitting authority's office within 7 (seven) days of publication. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit revision.

Please submit any written comments you wish to have considered concerning the permitting authority's proposed action to James K. Pennington, P.E., at the above letterhead address. If you have any other questions, please contact Jonathan Holtom, P.E., at 850/921-9531.

Sincerely,


Trina L. Vielhauer, Chief
Bureau of Air Regulation

TLV/jkp/h

Enclosures

cc: U.S. EPA, Region 4 (INTERNET E-mail)

"More Protection, Less Process"

Printed on recycled paper.

In the Matter of an
Application for Permits by:

Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0100

Draft Air Construction Permit No.: 0050014-011-AC
DRAFT Title V Air Operation Permit No.: 0050014-010-AV
Smith Electric Generating Plant
Bay County

INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT

The Department of Environmental Protection (permitting authority) gives notice of its intent to issue an Air Construction permit and a Title V Air Operation Permit Renewal (copies of the Draft Air Construction Permit and DRAFT Title V Air Operation Permit attached) for the Title V source detailed in the application specified above, for the reasons stated below.

The applicant, Gulf Power Company, applied on June 22, 2004, to the permitting authority for a Title V Air Operation Permit Renewal for the Smith Electric Generating Plant located at 4300 Highway 2300, Southport, Bay County.

The Air Construction Permit is being issued to establish the method of compliance with the heat input limitations as the use of the on-site composite fuel sampling.

The Title V Air Operation Permit Renewal is being issued to allow continued commercial operation of the facility, as authorized by the initial Title V Air Operation Permit 0050014-001-AV, and as revised by Air Construction Permit 0050014-011-AC.

The permitting authority has permitting jurisdiction under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210, 62-212, 62-213 and 62-214. This source is not exempt from construction and Title V permitting procedures. The permitting authority has determined that an Air Construction Permit and a Title V Air Operation Permit are required to commence or continue operations at the described facility.

The permitting authority intends to issue the Air Construction Permit and the Title V Air Operation Permit based on the belief that reasonable assurances have been provided to indicate that the construction activity and operation of the source will not adversely impact air quality, and the source will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-214, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C.

Pursuant to Sections 403.815 and 403.087, F.S., and Rules 62-110.106 and 62-210.350(3), F.A.C., you (the applicant) are required to publish at your own expense the enclosed "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT." The notice shall be published one time only as soon as possible in the legal advertisement section of a newspaper of general circulation in the area affected. For the purpose of these rules, "publication in a newspaper of general circulation in the area affected" means publication in a newspaper meeting the requirements of Sections 50.011 and 50.031, F.S., in the county where the activity is to take place. Where there is more than one newspaper of general circulation in the county, the newspaper used must be one with significant circulation in the area that may be affected by the permit revision. If you are uncertain that a newspaper meets these requirements, please contact the permitting authority at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-1344; Fax: 850/922-6979), within 7 (seven) days of publication. Failure to publish the notice and provide proof of publication within the allotted time may result in the denial of the permit revision pursuant to Rule 62-110.106, F.A.C.

The permitting authority will issue the Air Construction Permit and the PROPOSED Title V Air Operation Permit and subsequent FINAL Title V Air Operation Permit, in accordance with the conditions of the attached Draft Air Construction Permit and the DRAFT Title V Air Operation Permit unless a response received

in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The permitting authority will accept written comments concerning the proposed Air Construction Permit issuance action for a period of 14 (fourteen) days from the date of publication of the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT REVISION." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this Draft Air Construction Permit, the permitting authority shall issue a Revised Draft Air Construction Permit and require, if applicable, another Public Notice.

The permitting authority will accept written comments concerning the proposed Title V Air Operation Permit issuance action for a period of 30 (thirty) days from the date of publication of the "PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT." Written comments should be provided to the permitting authority office. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in this DRAFT Title V Air Operation Permit, the permitting authority shall issue a Revised DRAFT Title V Air Operation Permit and require, if applicable, another Public Notice.

A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by the permit revision applicant or any of the parties listed below must be filed within fourteen days of receipt of this notice of intent. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S., must be filed within fourteen days of publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the permitting authority for notice of agency action may file a petition within fourteen days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the permitting authority's action is based must contain the following information:

(a) The name and address of each agency affected and each agency's file or identification number, if known;

(b) The name, address, and telephone number of the petitioner; the name, address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination;

(c) A statement of how and when each petitioner received notice of the agency action or proposed action;

(d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;

(e) A concise statement of the ultimate facts alleged, as well as the rules and statutes which entitle the petitioner to relief;

(f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and,

(g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

A petition that does not dispute the material facts upon which the permitting authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the permitting authority's final action may be different from the position taken by it in this

Note to Permittee: This page is part of the Notice of Intent, NOT the Public Notice.
PLEASE DO NOT PROVIDE THE NOTICE OF INTENT TO THE NEWSPAPER FOR PUBLICATION!

notice of intent. Persons whose substantial interests will be affected by any such final decision of the permitting authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation will not be available in this proceeding.

In addition to the above, a person subject to regulation has a right to apply to the Department of Environmental Protection for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542, F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal regulatory requirements. Applying for a variance or waiver does not substitute or extend the time for filing a petition for an administrative hearing or exercising any other right that a person may have in relation to the action proposed in this notice of intent.

The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department of Environmental Protection, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. The petition must specify the following information:

- (a) The name, address, and telephone number of the petitioner;
- (b) The name, address, and telephone number of the attorney or qualified representative of the petitioner, if any;
- (c) Each rule or portion of a rule from which a variance or waiver is requested;
- (d) The citation to the statute underlying (implemented by) the rule identified in (c) above;
- (e) The type of action requested;
- (f) The specific facts that would justify a variance or waiver for the petitioner;
- (g) The reason why the variance or waiver would serve the purposes of the underlying statute (implemented by the rule); and,
- (h) A statement whether the variance or waiver is permanent or temporary and, if temporary, a statement of the dates showing the duration of the variance or waiver requested.

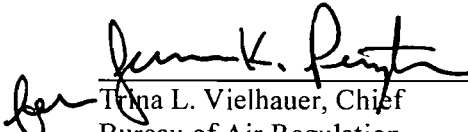
The Department will grant a variance or waiver when the petition demonstrates both that the application of the rule would create a substantial hardship or violate principles of fairness, as each of those terms is defined in Section 120.542(2), F.S., and that the purpose of the underlying statute will be or has been achieved by other means by the petitioner.

Persons subject to regulation pursuant to any federally delegated or approved air program should be aware that Florida is specifically not authorized to issue variances or waivers from any requirements of any such federally delegated or approved program. The requirements of the program remain fully enforceable by the Administrator of the United States Environmental Protection Agency and by any person under the Clean Air Act unless and until the Administrator separately approves any variance or waiver in accordance with the procedures of the federal program.

Finally, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within 60 (sixty) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to issuance of any Permit. Any petition shall be based only on objections to the permit revision that were raised with reasonable specificity during the 30 (thirty) day public comment period provided in this notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460. For more information regarding EPA review and objections, visit EPA's Region 4 web site at: <http://www.epa.gov/region4/air/permits/Florida.htm>.

Executed in Tallahassee, Florida.

**STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION**


Trina L. Vielhauer, Chief
Bureau of Air Regulation

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT (including the PUBLIC NOTICE and the DRAFT Permits) and all copies were sent by certified mail before the close of business on 9/21/04 to the person(s) listed:

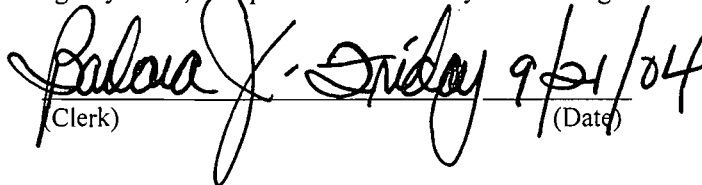
Mr. Gene L. Ussery, Jr.

In addition, the undersigned duly designated deputy agency clerk hereby certifies that copies of this INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR OPERATION PERMIT (including the PUBLIC NOTICE and the DRAFT Permits) were sent by INTERNET E-mail on the same date to the person(s) listed:

Mr. Kennard Kosky, P.E. (kkosky@golder.com)
Mr. Kevin White, P.E., DEP-NWD (kevin.white@dep.state.fl.us)
Mr. G. Dwain Waters, QEP, Gulf Power Company (GDWATERS@southernco.com)
U.S. EPA, Region 4

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency Clerk, receipt of which is hereby acknowledged.


(Clerk) Friday 9/21/04 (Date)

**PUBLIC NOTICE OF INTENT TO ISSUE AN AIR CONSTRUCTION PERMIT AND A TITLE V AIR
OPERATION PERMIT**

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Draft Air Construction Permit No.: 0050014-011-AC
DRAFT Title V Air Operation Permit No.: 0050014-010-AV

Gulf Power Company – Smith Electric Generating Plant
Bay County

Applicant: The applicant for this project is Gulf Power Company, One Energy Place, Pensacola, Florida 32520-0100. The applicant's responsible official is Mr. Gene L. Ussery, Jr., VP Power Generation.

Facility Location: The applicant operates a coal-fired electric generating plant, which is located at 4300 Highway 2300, Southport, Bay County, Florida.

Project: The applicant submitted an application for a Title V Air Operation Permit renewal. This facility consists of two coal fired steam generators (boilers), two combustion turbines (used to drive two separate peaking generators) driven by a single jet engine, and the two new gas-fired combined-cycle combustion turbine electrical generators with duct-fired heat recovery steam generators (HRSGs). The two boilers are Acid Rain Phase II Units. The two combined-cycle combustion turbines are also Acid Rain units. Pulverized coal is the primary fuel for the boilers. Distillate fuel oil is used to fire the jet engine and as a "back-up" fuel for the boilers. Natural gas is the only fuel allowed to be fired in the two new combined-cycle combustion turbines.

Also include in this permitting action is an Air Construction Permit, which is being issued to establish the method of compliance with the heat input limitations as the use of the on-site composite fuel sampling.

Permitting Authority: Applications for Air Construction Permits and for Title V Air Operation Permits are subject to review in accordance with the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-210, and 62-213 of the Florida Administrative Code (F.A.C.). The proposed project is not exempt from air permitting requirements and an air permit is required to operate the facility. The Department of Environmental Protection is the Permitting Authority responsible for making a permit determination regarding this project. The Permitting Authority's physical address is: 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301. The Permitting Authority's mailing address is: Department of Environmental Protection, 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400. The Permitting Authority's telephone number is 850/488-0114.

Project File: A complete project file is available for public inspection during the normal business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday (except legal holidays), at the address indicated above for the Permitting Authority. The complete project file includes the Draft Permits, the Statement of Basis, the application, and the information submitted by the applicant, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Permitting Authority's project review engineer for additional information at the address and phone number listed above or at the following email address: jonathan.holtom@dep.state.fl.us. A copy of the complete project file is also available at the Department of Environmental Protection's Northwest District Office at 160 Governmental Center, Pensacola, Florida 32501-5794 (Telephone: 850/595-8364).

Notice of Intent to Issue Air Permit: The Permitting Authority gives notice of its intent to issue an Air Construction Permit and a Title V Air Operation Permit to the applicant for the project described above. The applicant has provided reasonable assurance that operation of the facility will not adversely impact air quality and that the project will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-213, 62-214, 62-256, 62-257, 62-281, 62-296, and 62-297, F.A.C. The Permitting Authority will issue a Final Air Construction Permit, a Proposed Title V Air Operation Permit and subsequent Final Title V Air Operation Permit

in accordance with the conditions of the Draft Permits unless a response received in accordance with the following procedures results in a different decision or a significant change of terms or conditions.

Comments: The Permitting Authority will accept written comments concerning the Draft Air Construction Permit for a period of fourteen (14) days from the date of publication of this Public Notice. The Permitting Authority will accept written comments concerning the Draft Title V Air Operation Permit for a period of thirty (30) days from the date of publication of this Public Notice. Written comments must be provided to the Permitting Authority at the above address. As part of his or her comments, any person may also request that the Permitting Authority hold a public meeting on this permitting action. If the Permitting Authority determines there is sufficient interest for a public meeting, it will publish notice of the time, date, and location on the Department's official web site for notices (<http://tlhora6.dep.state.fl.us/onw/>) and in a newspaper of general circulation in the area affected by the permitting action. For additional information, contact the Permitting Authority at the above address or phone number. If written comments or comments received at a public meeting result in a significant change to the Draft Permits, the Permitting Authority shall revise the Draft Permits and require, if applicable, another Public Notice. All comments filed will be made available for public inspection.

Petitions: A person whose substantial interests are affected by the proposed permitting decision may petition for an administrative hearing in accordance with Sections 120.569 and 120.57, F.S. The petition must contain the information set forth below and must be filed with (received by) the Department's Agency Clerk in the Office of General Counsel of the Department of Environmental Protection at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3), F.S. must be filed within fourteen (14) days of publication of this Public Notice or receipt of a written notice, whichever occurs first. Under Section 120.60(3), F.S., however, any person who asked the Permitting Authority for notice of agency action may file a petition within fourteen (14) days of receipt of that notice, regardless of the date of publication. A petitioner shall mail a copy of the petition to the applicant at the address indicated above, at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Permitting Authority's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address and telephone number of the petitioner; the name address and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial rights will be affected by the agency determination; (c) A statement of how and when the petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so state; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and, (g) A statement of the relief sought by the petitioner, stating precisely the action the petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Permitting Authority's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Permitting Authority's final action may be different from the position taken by it in this Public Notice of intent. Persons whose substantial interests will be affected by any such final decision of the Permitting Authority on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation: Mediation is not available for this proceeding.

Objections: In addition to the above right to petition, pursuant to 42 United States Code (U.S.C.) Section 7661d(b)(2), any person may petition the Administrator of the EPA within sixty (60) days of the expiration of the Administrator's 45 (forty-five) day review period as established at 42 U.S.C. Section 7661d(b)(1), to object to the issuance of any Permit. Any petition shall be based only on objections to the permit that were raised with reasonable specificity during the thirty (30) day public comment period provided in the Public Notice, unless the petitioner demonstrates to the Administrator of the EPA that it was impracticable to raise such objections within the comment period or unless the grounds for such objection arose after the comment period. Filing of a petition with the Administrator of the EPA does not stay the effective date of any permit properly issued pursuant to the provisions of Chapter 62-213, F.A.C. Petitions filed with the Administrator of EPA must meet the requirements of 42 U.S.C. Section 7661d(b)(2) and must be filed with the Administrator of the EPA at: U.S. EPA, 401 M Street, S.W., Washington, D.C. 20460. For more information regarding objections, visit the EPA Region 4 web site at: www.epa.gov/region4/air/permits.



Jeb Bush
Governor

Department of Environmental Protection

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Colleen M. Castille
Secretary

P.E. Certification Statement

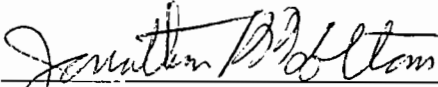
Permittee:

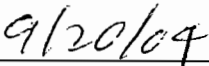
Gulf Power Company
Smith Electric Generating Plant

DRAFT Construction Permit No.: 0050014-011-AC
Facility ID No.: 0050014

Project: Air Construction Permit Revision

I HEREBY CERTIFY that the engineering features described in the above referenced application and related additional information submittals, if any, and subject to the proposed permit conditions, provide reasonable assurance of compliance with applicable provisions of Chapter 403, Florida Statutes, and Florida Administrative Code Chapters 62-4 and 62-204 through 62-297. However, I have not evaluated and I do not certify aspects of the proposal outside of my area of expertise (including but not limited to the electrical, mechanical, structural, hydrological, and geological features).


Jonathan K. Holtom, P.E.
Registration Number: 0052664


Date

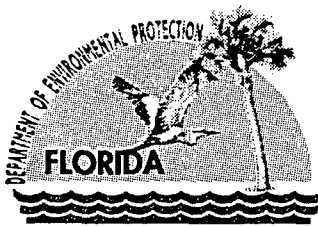
Permitting Authority:

Florida Department of Environmental Protection
Division of Air Resources Management
Bureau of Air Regulation
Mail Station #5505
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Telephone: 850/488-0114
Fax: 850/922-6979

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Department of Environmental Protection

Jeb Bush
Governor

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Colleen M. Castille
Secretary

September 21, 2004

CERTIFIED MAIL – Return Receipt Requested

Mr. Gene L. Ussery, Jr.
V.P. of Power Generation/Transmission
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0328

DRAFT

Dear Mr. Ussery:

RE: Compliance Determination Method for Heat Input Limits on Units 1 and 2
Gulf Power Company - Smith Electric Generating Plant
Project No.: 0050014-011-AC

This permitting project establishes the compliance method for the permitted capacity on Units 1 and 2 as the use of composite fuel samples taken by on-site personnel.

1. Other Permits. The conditions of this permit supplement all previously issued air construction and operation permits for this facility. Unless otherwise specified, these conditions are in addition to all other applicable permit conditions and regulations.

[Rule 62-4.070, F.A.C.]

2. To establish the method for demonstrating compliance with the permitted capacity on Units 1 and 2 as the use of the on-site composite fuel samples, the following condition is added.

Permitted Capacity. The maximum operation heat input rate is as follows:

<u>Unit No.</u>	<u>MMBtu/hr Heat Input</u>	<u>Fuel Type</u>
-001	1,944.8	Coal
	153	No. 2 Fuel Oil
	153	On-Specification Used Oil
-002	2,246.2	Coal
	76	No. 2 Fuel Oil
	76	On-Specification Used Oil

Note: When a blend of fuels is fired, the heat input shall be prorated based on the percent heat input of each fuel.

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Compliance with the above heat input limitations shall be demonstrated solely through the use of the composite fuel samples taken by on-site personnel. Records of the composite samples (typically taken daily as-fired for solid fuel and per shipment (after blending) for liquid fuel) shall be maintained on-site for a period of five years and shall be made available for Department inspection upon request.
[Applicant Request; and, Rule 62-4.070, F.A.C.]

Sincerely,

Michael G. Cooke, Director
Division of Air Resource Management

MGC/jkh

Enclosures

cc: Trina Vielhauer, DEP - BAR
Bruce Mitchell, DEP - BAR
Sandra Veazey, DEP - NWD
G. Dwain Waters, Q.E.P., GPC

Jim Pennington, DEP - BAR
Cleve Holladay, DEP - BAR
Andy Allen, DEP - NWD

ATTACHMENT GENERAL CONDITIONS

Rule 62-4.160, F.A.C.

- G.1 The terms, conditions, requirements, limitations, and restrictions set forth in this permit are "Permit Conditions" and are binding and enforceable pursuant to Sections 403.161, 403.727, or 403.859 through 403.861, Florida Statutes. The permittee is placed on notice that the Department will review this permit periodically and may initiate enforcement action for any violation of these conditions.
[Rule 62-4.160(1), F.A.C.]
- G.2 This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings or exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Department.
[Rule 62-4.160(2), F.A.C.]
- G.3 As provided in Subsections 403.087(6) and 403.722(5), Florida Statutes, the issuance of this permit does not convey any vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations. This permit is not a waiver or approval of any other Department permit that may be required for other aspects of the total project which are not addressed in the permit.
[Rule 62-4.160(3), F.A.C.]
- G.4 This permit conveys no title to land or water, does not constitute State recognition or acknowledgment of title, and does not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title.
[Rule 62-4.160(4), F.A.C.]
- G.5 This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and Department rules, unless specifically authorized by an order from the Department.
[Rule 62-4.160(5), F.A.C.]
- G.6 The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed or used by the permittee to achieve compliance with the conditions of this permit, as required by Department rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by Department rules.
[Rule 62-4.160(6), F.A.C.]
- G.7 The permittee, by accepting this permit, specifically agrees to allow authorized Department personnel, upon presentation of credentials or other documents as may be required by law and at a reasonable time, access to the premises, where the permitted activity is located or conducted to:
- (a) Have access to and copy and records that must be kept under the conditions of the permit;
 - (b) Inspect the facility, equipment, practices, or operations regulated or required under this permit, and,
 - (c) Sample or monitor any substances or parameters at any location reasonably necessary to assure compliance with this permit or Department rules.

Reasonable time may depend on the nature of the concern being investigated.
[Rule 62-4.160(7), F.A.C.]

- G.8 If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide the Department with the following information:
- (a) A description of and cause of non-compliance; and
 - (b) The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the non-compliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the non-compliance. The permittee shall be responsible for any and all damages which may result and may be subject to enforcement action by the Department for penalties or for revocation of this permit.
- [Rule 62-4.160(8), F.A.C.]
- G.9 In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to the Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department rules, except where such use is prescribed by Sections 403.73 and 403.111, Florida Statutes. Such evidence shall only be used to the extent it is consistent with the Florida Rules of Civil Procedure and appropriate evidentiary rules.
- [Rule 62-4.160(9), F.A.C.]
- G.10 The permittee agrees to comply with changes in Department rules and Florida Statutes after a reasonable time for compliance, provided, however, the permittee does not waive any other rights granted by Florida Statutes or Department rules.
- [Rule 62-4.160(10), F.A.C.]
- G.11 This permit is transferable only upon Department approval in accordance with Florida Administrative Code Rules 62-4.120 and 62-730.300, F.A.C., as applicable. The permittee shall be liable for any non-compliance of the permitted activity until the transfer is approved by the Department.
- [Rule 62-4.160(11), F.A.C.]
- G.12 This permit or a copy thereof shall be kept at the work site of the permitted activity.
- [Rule 62-4.160(12), F.A.C.]
- G.13 This permit also constitutes:
- (a) Determination of Best Available Control Technology ()
 - (b) Determination of Prevention of Significant Deterioration (); and
 - (c) Compliance with New Source Performance Standards ().
- [Rule 62-4.160(13), F.A.C.]
- G.14 The permittee shall comply with the following:
- (a) Upon request, the permittee shall furnish all records and plans required under Department rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Department.
 - (b) The permittee shall hold at the facility or other location designated by this permit records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application or this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by Department rule.
 - (c) Records of monitoring information shall include:
 - 1. The date, exact place, and time of sampling or measurements;
 - 2. The person responsible for performing the sampling or measurements;
 - 3. The dates analyses were performed;
 - 4. The person responsible for performing the analyses;
 - 5. The analytical techniques or methods used; and
 - 6. The results of such analyses.
- [Rule 62-4.160(14), F.A.C.]

- G.15 When requested by the Department, the permittee shall within a reasonable time furnish any information required by law which is needed to determine compliance with the permit. If the permittee becomes aware that relevant facts were not submitted or were incorrect in the permit application or in any report to the Department, such facts or information shall be corrected promptly.
[Rule 62-4.160(15), F.A.C.]

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7000 0600 0026 4129 8849

Gene L. Ussery

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Recipient's Name (Please Print Clearly) (to be completed by mailer)
 Gene L. Ussery
 Street, Apt. No.; or PO Box No.
 One Energy place
 City, State, ZIP+4
 Pensacola, Florida 32520-0111