

Memorandum

Florida Department of
Environmental Protection


RECEIVED

JAN 19 1999

BUREAU OF
AIR REGULATION

January 8, 1999

To: Al Linero

From: Jerry Kissel 

Subject: Coronet Industries, Project 0570075-009 AC (Kilns 6 & 7, emission unit 005)

We issued a denial (attached) on this project, based on PSD considerations, and Coronet filed for a hearing. Coronet has subsequently proposed a settlement (attached) which proposes to surrender the prior construction permit, thereby making moot the limitations of the prior construction permit and any resulting PSD analysis. Since this is essentially a PSD situation, we would appreciate your input.

This e.u. had a series of operating permits through 1992, and its first and only construction permit was issued in 1995, as shown in the table below. Note that the construction permit authorized additional equipment and increases in allowables. The additional equipment was never installed, as stated in the proposed settlement letter. However, the other increases did occur. Thus the statement in the settlement letter appears incorrect in stating 'if the facility takes no action under the conditions of an air construction permit, then this permit can be surrendered....' (the facility has taken some actions, such as increasing production).

It appears to us, however, that even if the AC is not surrendered, Coronet may be able to take annual restrictions (actual to potential) to keep emission increases from triggering PSD applicability. They have not proposed this though.

Permit	Issue Date/ Exp'n Date ²	Allowable Limits				
		PM, lbs/hr	F, lbs/ton of P ₂ O ₅	Produc'n Tons/Hr	MM Btu/hr	Hours Per Year
AO29-218851	1992 exp. 11/97	15	0.37	18	94.5 gas 100.8 oil	8,064
AC29-259884/ 0570075-006AC ¹	2/95 exp. 7/97	13.81	0.37	24.3	103.9 gas 110.9 oil	8,760
AO29-218851 Amendment	7/95 exp. 11/97	unspec'd; AC governs	0.37	19.8	unspec'd; AC governs	8,760
0570075-009 Application	submitted 4/22/98	15	0.37	24.3	120 gas 128 oil	8,760

¹Permit was renumbered

²Title V permit not yet issued; expirations extended

The above table deals with short term limits, and does not include some annual limits which have been proposed. They are not necessary though, to answer the current questions, however, which are whether the prior AC can be surrendered, and if so, is the project under the proposed settlement exempt from PSD analysis.

I don't know where we are on the legal clock on this re the hearing. but I believe there is some urgency to resolving this rather than preparing for a hearing. We agreed to pass along Steve Cullen's request that you get back to us in ten days if possible.

c: D. Beason, DEP OGC
S. Cullen, Koogler & Associates
R. Kirby, EPC
W. Schroeder, DEP

Attachments, to Al Linero only:
Permit denial
Petition for hearing
12/1/98 proposed settlement letter

c:\coron199



Department of Environmental Protection

Lawton Chiles
Governor

Southwest District
3804 Coconut Palm Drive
Tampa, Florida 33619

Virginia B. Wetherell
Secretary

NOTICE OF PERMIT DENIAL

CERTIFIED MAIL

In the Matter of an Application
for Permit by:

DEP File No.: 0570075-009-AC
County: Hillsborough

Mr. Vincent T. Scialli
President & COO
Coronet Industries, Inc.
4082 Coronet Road
Plant City, FL 33564-0760

The applicant, Coronet Industries, Inc., applied on April 22, 1998, to the Department of Environmental Protection for a permit to increase natural gas and oil heat input and a process rate increase in Kilns 6 and 7, located at the Plant City Animal Feed Ingredient facility.

The Department has permitting jurisdiction under Section 403.087, Florida Statutes (F.S.). The project is not exempt from permitting procedures. The Department has determined that a construction permit is required for the proposed work.

The Department denies this air pollution permit based on the belief reasonable assurances have not been provided to indicate the proposed project will comply with the appropriate provisions of Florida Administrative Code (F.A.C.) Chapters 62-204 through 62-297 & 62-4.

The Department's reason for denial is set forth as follows:

1. Fuel use was previously limited by a construction permit; thus this application for an increase in fuel use is subject to PSD review, requiring an "actual to potential" test for PSD significance. The applicant has not provided proper justification for the application of this approach, as in the attached incompleteness letter response, which uses a "potential to potential" test for SO₂ (sulfur dioxide). Furthermore, the "actual to potential" reasoning must be used for other pollutants such as PM (particulate matter), fluorides, and NO_x(nitrogen oxides).

Note: The application is denied on the above basis. Another issue, however, raised in the application, is a request for a return to a production rate of 24.3 tph allowed in permit 0570005-006-AC, later limited to 19.8 tph in amended permit AO29-218851, July 1995. Since a permit could be written for the fuel rate increase without the production rate increase, the application is

Coronet Industries, Inc.
Permit No. 0570075-009-AC

not denied on the basis of the request for a production rate increase, but the following comments are germane.

A) The Department's position is that the application for a production rate increase should require a PSD permit review. The applicant was queried by the Department in a letter dated May 21, 1998, to provide reasons that PSD regulations did not apply to the project. In a response letter, dated June 23, 1998, the applicant stated that the increased kiln feed rate was capped at 24.3 tons/hour by previous construction permit No. 0570075-006-AC and that PSD did not apply to a feed rate increase. DEP comment: This was incorrect in that permit No. 0570075-006-AC was written to include additional HF recovery equipment which was never installed.

[The kilns were tested for emissions on November 1, 1996, at a feed rate of 18.48 tons/hour and were in compliance. The kilns were unable to produce a satisfactory product at a higher rate, and therefore operating permit No. AO29-218851 was amended to reflect a feed rate of 19.8 tons/hour (18.48 tons/hour + 10%)].

B) Construction permit No. AC29-259884, issued in 1995, later renumbered to 0570075-006-AC, ~~is~~ authorized a proposed "fluoride plant" to utilize additional HF provided by the rate increase and additional fluoride removal towers. This fluoride plant has not been constructed and, as previously stated, the HF removal towers were not added to the kilns exhaust. With the intent to increase feed rate to the kilns for additional HF byproduct, failure to construct the said equipment would dictate that this current application must be considered a "new" project and subject to PSD analysis.

A person whose substantial interests are affected by the Department's 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 at 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000. Petitions filed by the permit applicant or any of the parties listed below must be filed within fourteen days of receipt of this permit denial. 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 28-5.207, F.A.C.

A petition must contain the following:

Coronet Industries, Inc.
Permit No. 0570075-009-AC

- (a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Department Permit File Number, and the county in which the project is proposed;
- (b) A statement of how and when each petitioner received notice of the Department's action or proposed action;
- (c) A statement of how each petitioner's substantial interests are affected by the Department's action or proposed action;
- (d) A statement of the material facts disputed by the petitioner, if any;
- (e) A statement of the facts that the petitioner contends warrant reversal or modification of the Department's action or proposed action;
- (f) A statement identifying the rules or statutes that the petitioner contends require reversal or modification of the Department's action or proposed action; and
- (g) A statement of the relief sought by the petitioner, stating precisely the action that the petitioner wants the Department to take with respect to the action or proposed action addressed in this permit denial.

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

In addition to the above, a person subject to regulation has a right to apply 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 permit denial.

The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department, 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.

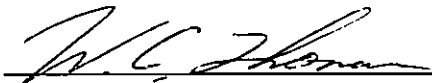
Coronet Industries, Inc.
Permit No. 0570075-009-AC

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 EPA and by the person under the Clean Air Act unless and until Administrator separately approves any variance or waiver in accordance with the procedures of the federal program.

Executed in Tampa, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION


For Richard D. Garrity, Ph.D.
Director of District Management

RDG/WES/ws
Attachment

cc: R. Kirby, P.E., EPCHC
Steven C. Cullen, P.E., Koogler & Associates, P.E.

Z 260 542 311

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)
Sent to

Mr. Vincent T. Scialli,
President & COO
Coronet Industries, Inc.
4082 Coronet Road
Plant City, FL 33564-0760

PS Form 3800, April 1995	Restricted Delivery Fee	
	Return Receipt Showing to Whom & Date Delivered	
	Return Receipt Showing to Whom, Date, & Addressee's Address	
	TOTAL Postage & Fees	\$
	Postmark or Date	9/24/98

Coronet Industries, Inc.
Permit No. 0570075-009-AC

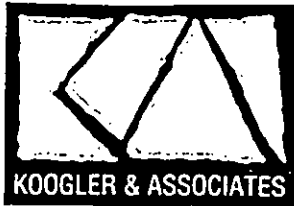
CERTIFICATE OF SERVICE

The undersigned duly designated deputy clerk hereby certifies that this NOTICE OF PERMIT DENIAL was sent to the addressee by certified mail and all copies were sent by regular mail before the close of business on SEP 24 1998 to the listed persons, unless otherwise noted.

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


Clerk

SEP 24 1998
Date



ENVIRONMENTAL SERVICES

4014 NW THIRTEENTH STREET
GAINESVILLE, FLORIDA 32609
352/377-5822 • FAX/377-7158

RECEIVED June 23, 1998

JUN 29 1998

D E P

Mr. William Schroeder
Air Permitting Engineer
FDEP Southwest District
3804 Coconut Palm Drive
Tampa, Florida 33619

SUBJECT: Coronet Industries, Inc.
Hillsborough County – Air Permit
DEP File No. 0570075-009

Dear Mr. Schroeder:

This letter shall provide the additional information requested in your letter dated May 21, 1998. All questions have been reproduced, preserving your numbering. Responses follow each question.

(Questions 1 & 3 are not included with this copy)

- 2. Information from past Annual Operating Reports, supplied by Hillsborough County EPC, show that the increases requested for sulfur dioxide, particulate matter, and fluorine emissions exceed the amounts required for PSD analysis. Please address this issue.**

Response

The emissions increases resulting from the increase in feed rate (from 18.0 tons/hour to 24.3 tons/hour) were evaluated prior to the issuance of permit No. 0570075-006-AC. The increase in production rate was not subject to PSD review, because there were no federally enforceable limitations on production rate.

The current request to amend permit No. 0570075-006-AC requests only a slight increase in permitted heat input – no changes to production rate are requested. The current application represents a minor modification to a major source – therefore PSD review is not applicable.

Prior “actual” emissions are set equal to “allowable” emissions under permit No. 0570075-006-AC. This is because the plant has not operated at the rate authorized by permit No. 0570075-006-AC, and there is no representative emissions data for this production rate. The

emissions increases will be only those increases resulting from the increased fuel use. The current request involves no increase in the permitted emission rates for particulate matter and fluoride emissions, with respect to permit No. 0570075-006-AC. Therefore, only sulfur dioxide increases resulting from the requested increase in fuel use are to be considered. Also, the sulfur content of natural gas is generally considered insignificant, so the sulfur dioxide emissions are only considered with respect to the use of No. 2 fuel oil.

Permit No. 0570075-006-AC	Requested by Applicant, 0570075-009
Heat Input = 110.91 MMBtu/hr Hours = 8760 hrs/yr Fuel Heat Content = 141 MMBtu/10 ³ gal. Gallons/yr = 110.91 * 8760/141 = 6891 x 10 ³	Heat Input = 128.0 MMBtu/hr Hours = 8760 hrs/yr Fuel Heat Content = 141 MMBtu/10 ³ gal. Gallons/yr = (Synthetic Limit) = 7591 x 10 ³
Increase in fuel use (gal/yr) = 7591 x 10 ³ - 6891 x 10 ³ = 700 x 10 ³	
SO2 Emission Factor = 142(%S) lbs/10 ³ gal, at 0.5% S = 71 lbs/10 ³ gal	
Increase in SO2 Emission Rate = 71 lbs/10 ³ gal x 700 x 1.0 ton/2000 lbs = 25 TPY	

It is important to note that the annual fuel oil use has been synthetically limited to reduce permitting fees – not to avoid PSD review. The requested heat input level without the synthetic limitation would still result in a less than significant increase in SO2 emissions.

The emissions increase for sulfur dioxide would be only that resulting from the requested increase in fuel oil use. This increase would be less than the PSD significant emission rate.

Please contact me if further information is required.

Sincerely,



Steven C. Cullen, P.E.
Koogler & Associates

copy to: Frank Sweat – Coronet Industries

STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS

CORONET INDUSTRIES, INC.

Petitioner,

vs.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION,

Respondent.

CASE NO.:

98-2690
RECEIVED
OCT 7 1998
Dept of Environmental Protection
Office of General Counsel

PETITION FOR ADMINISTRATIVE HEARING

TO: Department of Environmental Protection
Office of the General Counsel
3900 Commonwealth Blvd.
Mail Station 35
Tallahassee, FL 32399-3000

In accordance with § 120.569 and § 120.57, F.S. (1997), the Petitioner, Coronet Industries, Inc. (hereinafter "Coronet") files this Petition for an administrative hearing. In accordance with the Notice of Permit Denial (copy attached at Exhibit "A"), the following is submitted:

(a) Coronet Industries, Inc., P.O. Box 760, Plant City, Florida 33650-0760, telephone number 813/752-1161. DEP File No. 0570075-009-AC Hillsborough County.

(b) Coronet received the Notice of Permit Denial by certified mail on September 28, 1998.

(c) 1. The Permit Denial would prohibit Coronet's proposal to increase natural gas and oil heat input into kilns 6 and 7 located at the plant site.

2. Coronet is an animal feed supplement plant.

3. The Permit Denial reflects that the increase in fuel use is subject to a PSD review requiring an "actual to potential" test for PSD significance. This decision is erroneous and reflects a misunderstanding of the operations of the plant.

4. The Permit Denial, if unchallenged, would prohibit Coronet from increasing its production, its rate of fuel use to accommodate its production and it would have an adverse economic impact on Coronet.

5. The Permit Denial would required Coronet to comply with standards which are not applicable to it.

6. The requested increase in natural gas in no way affects the emission of SO₂, NOX, fluorides or particulates.

(d) The Department's basis for denial is not given with any specificity.

1. The discussion indicates that the Department believes a PSD review is applicable for the project. This information, combined with knowledge of the facility, directs one to Rule 62-212.400(2)(d)4., F.A.C. This rule provides for the applicability of PSD review to modifications to major facilities, required when net emissions increases exceed certain amounts, when using "actual-to-potential" calculations.

2. The specific project changes (production and heat input increases) do not rise to the level of "modifications," as defined at Rule 62-210.200(188), F.A.C. This rule provides that a modification shall not include an increase in the

production rate or an increase in annual hours of operation unless such change would be prohibited by a federally-enforceable permit condition.

3. This facility was issued an air construction permit (No. AC29-259884, issued 1/23/95) that allowed for a rate and heat input increase, an increase in annual hours, and the installation of extensive equipment related to a second fluoride salts plant. It is important to note that the application resulting in Permit No. AC29-259884 was not subject to PSD review, absent federally enforceable limitations. The permit conditions would be federally enforceable only if Coronet had performed any actions under the authority of the referenced air construction permit. No such actions have taken place. Permit No. AC29-259884 was renumbered and reissued on 1/13/97 as 0570075-006-AC.

4. In April 1998, Coronet decided not to undertake the activities in the air construction permit, but was interested in increasing production (to the rate specified in the AC) and heat input (to rates necessary to increase production) and to increase annual hours. It was agreed, in consultation with Department staff, that these goals could be achieved in one of two ways, without incurring PSD review:

A. Amend the air construction permit as construction had not commenced. This approach relies on the permit conditions not being federally enforceable, because the project was not constructed. Further, any review would necessitate a "potential-to-potential" approach, as no

opportunity for measuring actual emissions generated during operations under the increased rates were present.

B. Surrender the air construction permit and apply for the increases in production (with attendant fuel needs) and annual hours. This approach would not be subject to PSD review, as the parameters would not be subject to any federally enforceable conditions after the surrender.

At the direction of the Department staff, the first option was selected.

(e) 1. The denial of the Permit that Coronet is subject to PSD review and the Department's belief that reasonable assurances have not been provided that Coronet will comply with appropriate provisions of Chapter 62-204 through 62-297 and 62-4, F.A.C.. The Department has not specified the appropriate provisions of this code.

2. Coronet requests that the Permit Denial be reversed because the Department did not issue its approval or denial within a timely basis.

3. In this permit, the following dates are applicable:

A. April 22, 1998 - Application received by DEP.

B. May 21, 1998 - Request for additional information made by DEP.

C. June 23, 1998 - Coronet provides additional information to DEP.

D. September 28, 1998 - Denial of permit received by Coronet.

4. No additional extension had been granted by Coronet.

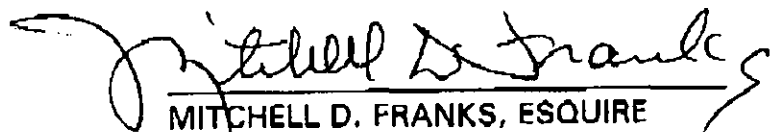
5. The Department was not authorized by law to seek the additional information as this information was not pertinent to the permit. Also, the information requested was already in the possession of the Department. The increase in natural gas and fuel was previously authorized in a permit (No. AC29-259884).

(f) The actions taken pursuant to Chapter 62-204 through 62-297 and 62-4, F.A.C., upon which the Department relies, must be reversed or the petition Permit Denial modified. In addition, § 120.569, § 120.57 and § 403.0872, Florida Statutes, require reversal or modification of the Department's denial of the permit.

(g) Coronet seeks to have the Notice of Permit Denial revoked, the basis of the denial rescinded and the Department denied the opportunity to defend its action based upon its failure to comply with the required time limits regarding permits.

Respectfully submitted.

LANE, TROHN, BERTRAND &
VREELAND, P.A.



MITCHELL D. FRANKS, ESQUIRE
Florida Bar No.: 102824
One Lake Morton Drive (33801)
Post Office Box 3
Lakeland, Florida 33802-0003
Phone: (941) 284-2200
Fax: (941) 688-9771
Attorneys for Petitioner



Department of Environmental Protection

Lawton Chiles
Governor

Southwest District
3804 Coconut Palm Drive
Tampa, Florida 33619

Virginia B. Wetherell
Secretary

NOTICE OF PERMIT DENIAL

CERTIFIED MAIL

In the Matter of an Application
for Permit by:

DEP File No.: 0570075-009-AC
County: Hillsborough

Mr. Vincent T. Scialli
President & COO
Coronet Industries, Inc.
4082 Coronet Road
Plant City, FL 33564-0760

The applicant, Coronet Industries, Inc., applied on April 22, 1998, to the Department of Environmental Protection for a permit to increase natural gas and oil heat input and a process rate increase in Kilns 6 and 7, located at the Plant City Animal Feed Ingredient facility.

The Department has permitting jurisdiction under Section 403.087, Florida Statutes (F.S.). The project is not exempt from permitting procedures. The Department has determined that a construction permit is required for the proposed work.

The Department denies this air pollution permit based on the belief reasonable assurances have not been provided to indicate the proposed project will comply with the appropriate provisions of Florida Administrative Code (F.A.C.) Chapters 62-204 through 62-297 & 62-4.

The Department's reason for denial is set forth as follows:

1. Fuel use was previously limited by a construction permit; thus this application for an increase in fuel use is subject to PSD review, requiring an "actual to potential" test for PSD significance. The applicant has not provided proper justification for the application of this approach, as in the attached incompleteness letter response, which uses a "potential to potential" test for SO₂ (sulfur dioxide). Furthermore, the "actual to potential" reasoning must be used for other pollutants such as PM (particulate matter), fluorides, and NO_x (nitrogen oxides).

Note: The application is denied on the above basis. Another issue, however, raised in the application, is a request for a return to a production rate of 24.3 tph allowed in permit 0570005-006-AC, later limited to 19.8 tph in amended permit AO29-218851, July 1995. Since a permit could be written for the fuel rate increase without the production rate increase, the application is

EXHIBIT

"A"



KOOGLER & ASSOCIATES
ENVIRONMENTAL SERVICES

4014 NW THIRTEENTH STREET
GAINESVILLE, FLORIDA 32609
352/377-5822 • FAX/377-7158

RECEIVED
DEC 02 1998

air protection
SOUTHWEST DISTRICT

December 1, 1998

Gerald Kissel, P.E.
Southwest District -- Air Program
Florida Department of
Environmental Protection
3804 Coconut Palm Drive
Tampa, FL 33619

SUBJECT: Coronet Industries, Inc. -- Plant City Facility
DEP File No. 0570075-009-AC
Notice of Permit Denial
Emissions Unit 005: Kilns 6 & 7

Dear Mr. Kissel:

Thank you and thanks to Jim McDonald and Bill Schroeder for meeting with me and Frank Sweat (Coronet) recently. We were in the area, and wanted to discuss administrative settlement of the DEP's Notice of Permit Denial and Coronet's resulting Petition for Administrative Hearing.

We had general agreement that if Coronet were to surrender Air Construction Permit No. 0570075-006-AC, then kilns 6 and 7 would once again be without federally enforceable limitations on production rate and heat input.

In discussions with Pat Comer (DEP-OGC) and an EPA attorney, we were advised that if a facility takes no action under the conditions of an air construction permit, then this permit can be surrendered and the facility reverts back to the status it held prior to the issuance of the permit. In the case of Coronet, Permit No. 0570075-006-AC was the first construction permit issued for the emissions unit. By surrendering this air construction permit, the emissions unit is once again without any federally enforceable permit conditions. This discussion is meaningful prior to the issuance of the Title V Operation permit.

As we stated at the meeting and restate here, Coronet has taken no action under Permit No. 0570075-006-AC. An increase in production rate was permitted under existing air operation Permit No. AO29-218851. Coronet attempted to amend Permit No. 0570075-006-AC. This request to amend the permit was denied and Coronet filed a Petition for a Formal Administrative Hearing. It appears that Coronet can achieve its goals by surrendering Permit No. 0570075-006-AC, and applying for the requested production and heat input increases without federally enforceable limitations.

December 1, 1998
Page 2 of 2

In an attempt to settle this matter and to avoid the costs of an administrative hearing, Coronet proposes an administrative settlement of this issue. Coronet's proposed settlement includes actions by Coronet as well as the Department. Accordingly, Coronet's actions are offered in the context of a complete settlement that will result in the issuance of an air construction permit authorizing the requested changes.

Coronet proposes the following:

a. Coronet will:

1. Surrender Air Construction Permit No. 0570075-006-AC.
2. If the Department agrees to settle this matter as set forth in b.1-3 below, Coronet will dismiss the Petition for an Administrative Hearing.

b. Department Actions:

1. Review the permit application submitted on April 22, 1998 in the context of the emissions unit having no federally enforceable limitations on production rate and heat input.
2. Accept the previously submitted processing fee as adequate for this review.
3. Issue an air construction permit, as the "first" air construction permit for this emissions unit, authorizing the requested increases in production rate and heat input.

Thank you for reviewing this proposed settlement. Please provide me with your response by December 18, 1998. If you have any questions, please contact me or Frank Sweat at Coronet. We hope that this agreement will be acceptable to the Department so that we can dismiss the Petition for an Administrative Hearing. If, however, the Department is unwilling to settle this matter as we have discussed, then Coronet will proceed with the administrative hearing on the matter.

Sincerely,



Steven C. Cullen, PE
Koogler & Associates

copy to: Mitchell D. Franks, Esq.
Frank Sweat - Coronet

R Kirby, EPC
- JKR 12/8/98

