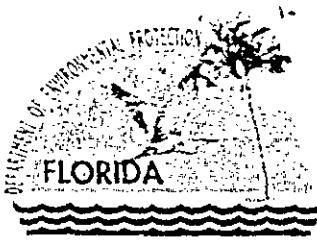


PERMIT

DENIAL



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

April 16, 2001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Thomas A. Grace
Director - Environmental Services
Lake Cogen, Ltd.
c/o NCP Lake Power, Inc.
One Upper Pond Road
Parsippany, New Jersey 07054

Re: Notice of Permit Denial
DEP File No. 0694801-004-AC (PSD-FL-176A)
Modification of CO Emission Limitation for Lake Cogeneration Limited

Dear Mr. Grace:

Enclosed is one copy of the Department's "NOTICE OF PERMIT DENIAL".

The Department will take no further action on this project and maintains that the facility must continue to comply with the CO emission limitations currently in place. Should you wish to pursue any project of this nature in the future, it must be submitted to the Department as a new application.

If you have any questions, please call Michael P. Halpin, P.E. at 850/921-9519.

Sincerely,

Howard L. Rhodes, Director
Division of Air Resources Management

CHF/mph

Enclosures

AAL/mph

cc: K. F. Kosky, Golder Associates
Len Kozlov, DEP CD
Mr. Gregg Worley, EPA Region 4
Mr. John Bunyak, NPS

"More Protection. Less Process"

Printed on recycled paper.

In the Matter of an
Application for Permit by:

Mr. Thomas A. Grace, Director -- Environmental Services..
NCP Lake Power, Inc.
One Upper Pond Road
Parsippany, NJ 07054

DEP File No. 0694801-004-AC. PSD-FL-176A
Lake Cogen, Ltd
Lake County

NOTICE OF PERMIT DENIAL

The applicant, Lake Cogen, Ltd., facility located in Umatilla, Florida, applied on April 21, 2000 to the Department of Environmental Protection for a permit to modify the CO emission limitation.

The Department 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, and 62-212. The above actions are not exempt from permitting procedures. The Department has determined that a PSD permit modification is required for the proposed work.

The Department hereby denies the permit for the following reason:

The applicant failed to respond to the Department's requests for additional information.

A person whose substantial interests are affected by the Department's permit denial may petition for an administrative proceeding (hearing) under sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at Mail Station #35, 3900 Commonwealth Boulevard, 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 Notice of Permit Denial. Petitions filed by any persons other than those entitled to written notice under section 120.60(3) of the Florida Statutes must be filed within fourteen days of receipt of this Notice of Permit Denial. 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 of the Florida Administrative Code.

A petition that disputes the material facts on which the Department'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 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, 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 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 Department'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.

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 Notice. 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. 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

Notice of Permit Denial
Lake Cogen, Ltd.
April 16, 2001
Page 2 of 2

presiding officer upon the filing of a motion in compliance with Rule 28-106.205 of the Florida Administrative Code.

This Notice constitutes final agency action unless a petition is filed in accordance with the above paragraphs or unless a request for extension of time in which to file a petition is filed within the time specified for filing a petition, which conforms to Rule 62-110.106, F.A.C. Upon timely filing of a petition or a request for an extension of time this Notice will not be effective until further Order of the Department.

If either a petition for administrative hearing or a request for extension of time is not timely filed with the Department, then this Notice shall constitute final agency action. Any party to this order would then have the right to seek judicial review pursuant to Rule 9.110, 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 of appeal must be filed within thirty days after this order is filed with the clerk of the Department.

Executed in Tallahassee, Florida.



Howard L. Rhodes, Director
Division of Air Resources
Management

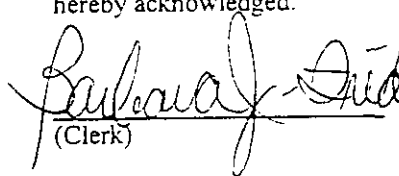
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Notice of Permit Denial and all copies were sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 4/17/01 to the person(s) listed:

Mr. Thomas A. Grace *
Mr. K.F. Kosky, P.E.
Mr. Len Kozlov, DEP - CD
Mr. Gregg Worley, EPA
Mr. John Bunyak, NPS

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.

 Friday 4/17/01
(Clerk) (Date)

LAKE COGEN, LTD.

NCP LAKE POWER, INC., GENERAL PARTNER

• One Upper Pond Road • Parsippany, NJ 07054
Tel (973) 263-6950 • Fax (973) 263-6977

April 4, 2001

Mr. Al Linero, P.E.
Administrator - New Source Review Section
Florida Department of Environmental Protection
Marjory Douglas Building
3900 Commonwealth Boulevard
Tallahassee, FL 32399-3000

RECEIVED

APR 10 2001

BUREAU OF AIR REGULATION

RE: Lake Cogeneration; DEP File No. 0694801-004-AC (PSD-FL-176A);
Modification of CO Emission Limitation - Request for additional information

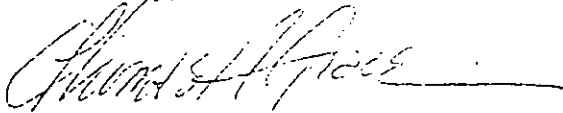
Dear Mr. Linero:

This is in response to your recent inquiry concerning the status of the referenced application. The project has decided not to proceed further with this modification request at the present time. Based upon the facts that the additional information requested by the Department was not forwarded and that the project has not taken further action to promote the modification request, we also understand that the Department will deny the initial application for the modification request that was filed April 21, 2000. Therefore, the project will continue to maintain the CO emission limits as currently addressed within its Title V Operating Permit.

I do not know if the information has cycled down into your section yet, but in December 2000, GPU International sold its partnership share of the Lake Cogen project to Aquila. Aquila has taken over as the Managing Partner for the project. With the transfer, I also went with the project to join the Aquila team and continue to work with the project. We provided notice to the Department of the change in early January 2001.

Thank-you for the help provided in trying to get this modification through. Please convey our thanks to Mr. Halprin also.

Sincerely,



Thomas A. Grace, CHMM
Director - Environmental Services

Cc: J. LaBauve
L. Rajter
C. Crowder
J. Miller


File: 273-2010.4


L01031lake

Memorandum

Florida Department of Environmental Protection

TO: Howard L. Rhodes

THRU: C. H. Fancy 
A. A. Linero

FROM: Michael P. Halpin 

DATE: April 16, 2001

SUBJECT: Lake Cogen PSD Permit modification

Attached for approval and signature is a "NOTICE OF PERMIT DENIAL" for the subject facility.

Lake Cogen requested this modification nearly a year ago, on April 21, 2000. A "Request for Additional Information" was promptly sent to the applicant on April 26, 2000. After repeated attempts, the applicant failed to respond to the Department's request. On February 23, 2001 a "Final Request for Additional Information" was sent to the applicant, indicating the Department's intent to deny the application if a response was not received within 30 days. On April 4, 2001 the applicant responded indicating that they did not intend to further pursue the modification at the present time, and stated that they understood that the application would be denied.

I recommend your approval and signature.

Attachments

/mph