



Department of Environmental Protection

Lawton Chiles
Governor

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

Virginia B. Wetherell
Secretary

VIA-FACSIMILE (904) 425-2447

February 20, 1997

Richard W. Moore, Esq.
Amundsen & Moore
502 East Park Avenue
Tallahassee, Florida 32301

Re: Piney Point Phosphate, Inc.

Dear Mr. Moore:

In confirmation of our conversation yesterday morning, representatives of Piney Point Phosphate, Inc. and the Department will meet at the Department's Southwest District Office on February 24, 1997, in an effort to address the issues raised by Manatee County in its correspondence dated January 16, 1997. The Department would suggest the meeting at the District Office commence at 1:00 p.m. and will be followed by an on-site visit to the Piney Point facility.

As I noted during our conversation, one item of particular concern with regard to Piney Point's correspondence dated February 7, 1997, is the assertion that "Piney Point has, to date, committed or expended upwards of \$2 million towards restarting the Piney Point Plant with additional, substantial expenditures ongoing or immediately forthcoming." Prior to the receipt of this correspondence, the Department was not aware of the fact that Piney Point had already initiated activities associated with refurbishing and restarting the plant. The undertaking of activities associated with restarting the plant may be problematic given the distinct possibility the initiation of these type of activities may be subject to preconstruction review under the Department's New Source Performance Standards and the Prevention of Significant Deterioration Program. Chapters 62-210 and 62-212, F.A.C. Obviously, your client will want to take this possibility into consideration with respect to any future activities related to restarting the facility.

A second item of concern involves Piney Point's pending application for a PSD permit for a new sulfuric acid plant to *replace* the existing plant. It is my understanding that Piney Point intends to continue to pursue the issuance of this PSD permit (The underpinnings of the PSD analysis presuppose the new plant will *replace* the existing plant). Apparently, Piney Point intends to refurbish and

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operate the existing plant only until such time the new plant comes on-line. The assertion that Piney Point intends to both refurbish the existing plant and obtain a PSD permit for the construction of a new plant is perplexing. Why would Piney Point spend approximately \$16 to \$18 million over the course of the next 10 months to refurbish the existing plant when the refurbished plant will only operate until the new plant comes on-line? With respect to the PSD Permit, the Department's Notice of Intent to Issue is predicated on the permanent shut-down of the existing facility.

In preparation for the scheduled meeting, the Department has developed questions concerning the items listed in Exhibit I of Piney Point's letter to W. C. Thomas, dated December 17, 1996:

(a) For all items listed as proposed repairs and relocation, please provide the date the item was originally placed in use at the sulfuric acid plant ; the item's projected useful life on that date; the item's present capacity to process sulfur; the cost of repairs to be undertaken on the item; the projected useful life of the item after repairs; the burner's capacity to process sulfur after repairs; any change to the hourly rate of emissions and total plant annual emissions that may result from repair to the burner; the estimated cost of installing the item if it were new rather than repaired and the useful life of the item if it were new. Also, please provide a history of previous repair and/or replacement of component parts since September 1, 1975.

(b) For those items listed as being refurbished/rehabilitated, please provide the above requested information *and* describe exactly what will be undertaken to accomplish refurbishing/rehabilitating; and what effect the refurbishing/rehabilitating will have on overall sulfuric acid processing or processing capacity at the plant.

(c) For those items listed as being replaced, please provide the information requested in paragraph (a) above *and* describe exactly what is being installed to replace the existing item and detail any differences between the existing item and the replacement part; also explain the effect the replacement will have on overall sulfuric acid processing or processing capacity at the plant.

(d) For those items listed as new, such as the mist eliminators, the pumps described in item #18, miscellaneous piping/valves, and the new motor control center, please explain what performs the function of each item now, and provide the information requested in paragraph (a) for the existing and the new components and detail what effect the addition of these items will have on the overall sulfuric acid processing or processing capacity at the plant.

(e) With respect to the "Certification of Cost of Proposed Repairs and Equipment Replacement to the Existing Sulfuric Acid Plant at Piney Point¹," the Department needs to review information concerning the various assumptions underlying the financial analysis performed by Mr. Harman in concluding the estimated cost of repairs would be approximately \$16.9 million. Similarly, the Department needs to review the same type of information with respect to the underlying assumptions and financial analysis performed by Mr. Hart in concluding the estimated cost "will not exceed 50% of the cost of building a new grass roots plant of the same capacity..."

Thank you for your continued cooperation and the Department looks forward to a constructive meeting this coming Monday.

Sincerely,



W. Douglas Beason
Assistant General Counsel

WDB/hc

cc: Dr. Richard Garrity
Al Linero
David S. Dee

¹ Exhibit II to Piney Point's letter dated December 7, 1996.



DEPARTMENT OF ENVIRONMENTAL PROTECTION
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Fax Number (904) 921-3000

F A X C O V E R S H E E T

DATE: 2-20-97

TO: al Lino

PHONE: _____

FAX: 922-6979

FROM: Doug Beason

PHONE: _____

REGARDING: Piney Point Phosphate, Inc.

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Number of pages including cover sheet: 4

Message _____

