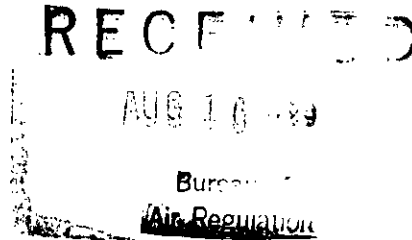


Farzie Shelton
ENVIRONMENTAL COORDINATOR, Ch E.

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 7, 1995

Mr. C.H. Fancy, P.E.
Chief Bureau of Air Regulation
Department of Environmental Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400



Dear Mr. Fancy:

**Re: Amendment of PSD-FL-008
City of Lakeland, C.D. McIntosh Unit No. 3**

We are in receipt of your letter dated July 11, 1995 and attached Proposed Permit Amendment, Intent to Issue, Public Notice of Intent to Issue Permit Amendment for the above referenced facility.

Pursuant to Section 403.815, Florida Statutes and DEP Rule 62-103.150, F.A.C., on August 1, 1995 we published the "Notice of Intent to Issue Permit Amendment". Therefore, enclosed please find Affidavit of Publication confirming publication of the Department's notice.

If you should have any questions, please do not hesitate to contact me at (941) 499-6603.

Sincerely



Farzie Shelton
Environmental Division

Enclosure

CC: BUCK OVEN, DEP

CC EPA
SWD

D. Beason, OGC
M. Costello

R. Harwood, Polk Co
A. Unico, BAR

AFFIDAVIT OF PUBLICATION

THE LEDGER
Lakeland, Polk County, Florida

Case No.....

STATE OF FLORIDA)
COUNTY OF POLK)

Before the undersigned authority personally appeared Robert Lee, who on oath says that he is Classified Manager of The Ledger, a daily newspaper published in Polk County, Florida; that the attached copy of advertisement, being a

Notice of Intent.....

in the matter of

PSD-FL-008A

in the

Court, was published in said newspaper in the issues of

August 2;

1995

Affiant further says that said The Ledger is a newspaper published at Lakeland, in said Polk County, Florida, and that the said newspaper has heretofore been continuously published in said Polk County, Florida, daily, and has been entered as second class matter at the post office in Lakeland, in said Polk County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Signed 

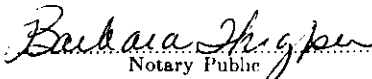
Classified Advertising Manager

by Robert E. Lee who is personally known to me

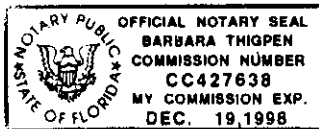
Sworn to and subscribed before me this 2nd

day of August A.D. 19 95

(Seal)


Notary Public

My Commission Expires BARBARA THIGPEN
City of
Lakeland



STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION NOTICE OF INTENT TO ISSUE PERMIT AMENDMENT PSD-FL-008A

The Department of Environmental Protection (Department) gives notice of its intent to issue or amend to Permit PSD-FL-008 to the City of Lakeland Department of Electric and Water Utilities (501 E. Lemon Street, Lakeland, Florida 33801) (City) to change certain Conditions of Approval related to sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emission limits contained in the Final Determination dated December 27, 1978 applicable to the C.D. McIntosh Power Plant, Unit No. 3.

The minimum sulfur dioxide (SO₂) removal efficiency requirement when burning coal will be changed from 85 percent to:
O.1.2 lb/million Btu and 10 percent of the potential combustion concentration (90 percent reduction) or
O.35 percent of the potential combustion concentration (65 percent reduction), when emissions are less than 0.75 lb/million Btu.

The method for calculating SO₂ removal efficiency will be changed from continuous monitoring before and after the scrubber to analysis of fuel together with continuous SO₂ monitoring after the scrubber.

The NO_x emission limit when firing coal or oil/refuse will be reduced from 0.7 lb/million Btu to 0.60 lb/million Btu.

Compliance with applicable NO_x and SO₂ limits will be demonstrated on a 30 day rolling average basis as well as by annual performance tests.

A person whose substantial interests are affected by the Department's proposed permitting decision may petition for an administrative proceeding (hearing) in accordance with Section 120.57, 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 of Environmental Protection, 2600 Blair Stone Road, Tallahassee, Florida 32399-2400, within 14 days of publication of this notice. Petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. Failure to file a petition within this time period shall constitute a waiver of any right such person may have to request an administrative determination (hearing) under Section 120.57, Florida Statutes.

The Petition shall contain the following information: (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 petitioner, if any; (e) A statement of facts which petitioner contends warrant reversal or modification of the Department's action or proposed action; (f) A statement of which rules or statutes petitioner contends require reversal or modification of the Department's action or proposed action; and (g) A statement of the relief sought by petitioner, stating precisely the action petitioner wants the Department to take with respect to the Department's action or proposed action.

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, 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 decision of the Department with regard to the application have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 14 days of publication of this notice in the Office of General Counsel at the above address of the Department. Failure to petition within the allowed time frame constitutes a waiver of any right such person has to request a hearing under Section 120.57, F.S., and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 28-5.207, F.A.C.

The application is available for public inspection during normal business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays, at:

Department of Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 410
Tallahassee, Florida 32301

Department of Environmental Protection
Southwest District
8407 Laurel Fair Circle
Tampa, Florida 33619

Polk County ESD
330 W. Church Street
Barlow, Florida 33830

Any person may send written comments on the proposed action to Administrator, New Source Review of the Department of Environmental Protection, Division of Air Resources Management, 2600 Blair Stone Road - Mail Station 5508, Tallahassee, Florida 32399-2400. All comments received within 30 days of the publication of this notice will be considered in the Department's final determination.

Further a public hearing can be requested by any person(s). Such requests must be submitted within 30 days of this notice.
F18 - 6-2-1995

HOPPING GREEN SAMS & SMITH
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS

123 SOUTH CALHOUN STREET
POST OFFICE BOX 6526
TALLAHASSEE, FLORIDA 32314
(904) 222-7500
FAX (904) 224-8551
FAX (904) 425-3415

JAMES S. ALVES
BRIAN H. BIBEAU
KATHLEEN BLIZZARD
ELIZABETH C. BOWMAN
RICHARD S. BRIGHTMAN
PETER C. CUNNINGHAM
RALPH A. DeMEO
THOMAS M. DeROSE
WILLIAM H. GREEN
WADE L. HOPPING
FRANK E. MATTHEWS
RICHARD D. MELSON
DAVID L. POWELL
WILLIAM D. PRESTON
CAROLYN S. RAEPPEL
GARY P. SAMS
ROBERT P. SMITH
CHERYL G. STUART

KRISTIN M. CONROY
CONNIE C. DURRENCE
JONATHAN S. FOX
JAMES C. GOODLETT
GARY K. HUNTER, JR.
JONATHAN T. JOHNSON
ROBERT A. MANNING
ANGELA R. MORRISON
GARY V. PERKO
KAREN M. PETERSON
MICHAEL P. PETROVICH
DOUGLAS S. ROBERTS
LISA K. RUSHTON
R. SCOTT RUTH
JULIE R. STEINMEYER

OF COUNSEL
CAREOS ALVAREZ
W. ROBERT FOKES

July 25, 1995

RECEIVED
JUL 25 1995
Bureau of
Air Regulation

VIA HAND DELIVERY

Kenneth Plante, Esquire
Office of General Counsel
Department of Environmental Protection
3900 Commonwealth Boulevard
Tallahassee, FL 32399

Re: City of Lakeland, Department of Electric and Water Utilities
Proposed Amendment to PSD Permit Number PSD-FL-008
C.D. McIntosh Power Plant No. 3, Polk County, Florida

Dear Mr. Plante:

The City of Lakeland, Department of Electric and Water Utilities, received a proposed permit amendment to the above referenced Prevention of Significant Deterioration (PSD) permit on July 17, 1995, for its C.D. McIntosh Power Plant, Unit No. 3, located in Polk County, Florida. The proposed permit amendment was issued by the Florida Department of Environmental Protection's Bureau of Air Regulation, and the Intent to Issue was signed by Clair H. Fancy, P.E., Chief of the Bureau of Air Regulation. Pursuant to Section 120.57, Florida Statutes, and Rule 62-103.070, Florida Administrative Code, the City of Lakeland has until July 31, 1995, to file a petition for administrative proceedings regarding the proposed permit amendment.

On behalf of the City of Lakeland, I hereby request, pursuant to Rule 62-103.070, F.A.C., an extension to and including November 1, 1995, in which to file a petition for administrative proceedings regarding the revised permit. As good cause for granting the request for extension of time for filing, the City of Lakeland states the following:

1. The proposed permit amendment contains conditions which warrant changes, clarification, and correction.
2. Representatives of the City of Lakeland have conferred and corresponded with the appropriate representatives from the Department's Bureau of Air Regulation regarding these

Kenneth Plante, Esquire
July 25, 1995
Page 2

conditions. The City of Lakeland representatives will continue their efforts in working with the Bureau in an attempt to reach a mutually acceptable resolution of the City's concerns regarding the proposed permit amendment.

3. This request is filed simply as a protective measure to avoid waiver of the City of Lakeland's right to challenge the proposed permit amendment as issued. Grant of this request will not prejudice either party, but will further their mutual interest and likely avoid the need to initiate formal administrative proceedings.

4. I hereby certify that I have attempted without success to contact Douglas Beason of the Department's Office of General Counsel regarding this request to determine whether he would have an objection.

Accordingly, I hereby request that you formally extend the time for filing a petition for administrative proceedings in regards to the Department's proposed permit amendment to Permit No. PSD-FL-008 to and including November 1, 1995.

Sincerely,



Angela R. Morrison

cc: Clair Fancy, DEP BAR
Al Linero, DEP BAR
Douglas Beason, Esquire, DEP OGC
Farzie Shelton, City of Lakeland

July 25, 1995

VIA HAND DELIVERY

Howard L. Rhodes, Director
Division of Air Resources Management
Department of Environmental Protection
Magnolia Park Courtyard
Tallahassee, FL 32301

RE: City of Lakeland C.D. McIntosh Unit No. 3--Requested
Amendment to PSD Permit No. PSD-FL-008

Dear Howard:

As you may recall, the City of Lakeland originally submitted a request to amend the Prevention of Significant Deterioration (PSD) permit for its C.D. McIntosh Unit No. 3 on January 4, 1995, and subsequently revised that request on April 6, 1995. The City's revised request to amend the PSD permit focused on the sulfur dioxide emission limit and removal efficiencies. In response to the City's request, the Department sent the City a proposed PSD permit amendment along with an "Intent to Issue" the permit amendment, which the City received on July 17, 1995. While the City appreciates the responsiveness of the Department to its request and for agreeing to a more reasonable sulfur dioxide removal efficiency, the City still has concerns about the permit amendment language being proposed by the Department, as described below.

Because the City has concerns about the draft permit amendment proposed by the Department and because it believes these concerns can be resolved through further negotiations, the City has asked for a three-month extension of the time within which a formal petition for administrative hearing may be requested. It is the City's understanding that the Department has no objection to its request. The City is hopeful that it will be able to resolve any concerns regarding the draft permit amendment language suggested by the Department within this three-month period. It may be necessary, of course, to obtain a further extension in the future if the City is not able to achieve a timely resolution.

In addition, as you may recall, the City requested a modification of its site certification for Unit No. 3 in December of 1994, and that request was held in abeyance pending the outcome of the PSD permit revision issues. Once these issues in the current permit revision have been

Howard L. Rhodes, Director
Division of Air Resources Management
Department of Environmental Protection
July 25, 1995
Page 2

finally resolved (following public notice and issuance of a final permit amendment), the City would like to submit a supplemental permit revision request that would address the use of petroleum coke. At that time, the request for site certification modification would again be reviewed by the Department. It is the City's understanding that no additional processing fees are needed since the Department's review has been ongoing and the underlying request for site certification modification has not changed. If this understanding is not correct, please notify us immediately.

After you and your staff have had an opportunity to review the information being provided, the City would like to set up a meeting to discuss the issues being raised by the City.

1. *Sulfur Dioxide Emission Limits and Removal Efficiencies:* The City is still somewhat concerned about the potential impacts of the Department's proposed sulfur dioxide emission limits and required sulfur dioxide removal efficiencies. What was proposed by the Department, as described in the Department's preliminary evaluation, "lies roughly mid-way between the City's proposal and the Final Subpart Da limits." While the City appreciates relief from the current permit conditions as well as from the NSPS Subpart Da limits, the City has some questions about the total annualized costs of complying with the limits and removal efficiencies being proposed by the Department. The City continues to believe that its proposal was justifiable, especially since the suggested limits were *below* other limits determined by the U.S. Environmental Protection Agency to be "Best Available Control Technology" subsequent to the time that the City's original 1978 permit was issued. While the City has not yet had an opportunity to fully analyze the costs of complying with what has been proposed by the Department, because the Department has been willing to work with the City on a compromised approach and the City would like to see this aspect of the permit revision finalized so the City can begin to address the possibility of using petroleum coke as a fuel at Unit No. 3, the City will accept what has been proposed by the Department for sulfur dioxide in Specific Condition 2.B. *if* it is able to reach an amicable resolution on the nitrogen oxides issue discussed below.

2. *Nitrogen Oxides Emissions Limit:* The City of Lakeland, as you know, did not propose to make any physical or operational changes as a result of the requested clarification of Specific Condition 2.B. regarding the sulfur dioxide emissions limit and removal efficiency. Certainly no change was requested regarding the nitrogen oxides emissions limit in Specific Condition 4.A. As the Department states in its technical evaluation and preliminary evaluation dated July 10, 1995, the U.S. Environmental Protection Agency established the nitrogen oxides limit of 0.7 lb/mmBtu as "Best Available Control Technology" when the permit was originally issued in 1978. Further, the nitrogen oxides emissions limit under New Source Performance Standard (NSPS) Subpart D is 0.7 lb/mmBtu, and the current emissions limit for Unit No. 3 is consistent with that limit. The Subpart Da limit of 0.6 lb/mmBtu for nitrogen oxides which the Department is attempting to establish to Unit No. 3 *does not apply*. The Department states in

Howard L. Rhodes, Director
Division of Air Resources Management
Department of Environmental Protection
July 25, 1995
Page 3

its own technical evaluation and preliminary evaluation that the C.D. McIntosh Unit No. 3 is subject to Subpart D and *not* Subpart Da. It is therefore appropriate, since both the applicable NSPS and EPA's BACT determination establish the appropriate nitrogen oxides emissions limit as 0.7 lb/mmBtu, that the Department make no changes and retain the current limit.

What is more, if the PSD permit were to establish a nitrogen oxides emissions limit of 0.6 lb/mmBtu based on a thirty-day rolling average, the three-hour limit of 0.7 lb/mmBtu would still apply under NSPS Subpart D. With a thirty-day rolling average, a three-hour average could be above 0.7 lb/mmBtu as long as the thirty-day average was 0.6 lb/mmBtu or lower. Therefore, the City would effectively be subject to two different emission limits for nitrogen oxides--a three-hour limit of 0.7 lb/mmBtu and a thirty-day rolling average limit of 0.6 lb/mmBtu. This would be administratively difficult to track, and it would be much more appropriate for the Department to have only one limit and to retain the limit of 0.7 lb/mmBtu, based on a three-hour average.

In addition, the Department has not indicated that ambient air quality, PSD increments, or public safety or welfare is being jeopardized by the existing emissions limit for nitrogen oxides. Because no physical or operational change is being made which affects nitrogen oxides emissions and the Department has no statutory or regulatory authority to arbitrarily change emission limits, the City respectfully requests that no change be made to Specific Condition 4.A. and that the nitrogen oxides limit remain 0.7 lb/mmBtu when firing coal or coal/refuse.

Again, the City would like to thank you and your staff for your cooperation and responsiveness to its request. I will call your office within the next few days to schedule a meeting to discuss these issues in more detail in an effort to reach an amicable resolution of this matter. Please feel free to call me if you have any questions in the meantime.

Sincerely,



Farzie Shelton
Environmental Coordinator

Howard L. Rhodes, Director
Division of Air Resources Management
Department of Environmental Protection
July 25, 1995
Page 4

cc: Clair Fancy, DEP
Al Linero, DEP
Martin Costello, DEP
Hamilton S. Oven, Jr., DEP
Jewell Harper, EPA Region IV
Brian Beals, EPA Region IV
Ken Kosky, KBN
Angela Morrison, HGSS