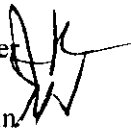


Florida Department of
Environmental Protection

Memorandum

TO: Trina Vielhauer
THRU: J. F. Koerner 
FROM: M. P. Halpin
DATE: February 1, 2006
SUBJECT: Lakeland Utilities
McIntosh Unit 3 FGD Modification
DEP File No. PSD-FL-008 and PA 74-06

Attached is the public notice package for Lakeland Utilities McIntosh coal-fired unit 3. The permit is to allow for the conversion of the existing FGD system to forced oxidation, thereby increasing the production of resalable gypsum byproduct. Such changes include the installation of compressors/blowers, air sparging lances and absorber agitators, as well as making changes to the absorber bleed system for dewatering the gypsum byproduct. No significant air emissions increase will occur as a result of this permit.

Based upon Lakeland's submittals as well as the application of engineering principles, there is no reason to expect that the conversion will trigger a PSD review.

I recommend your approval.

/mph

Attachments

P.E. Certification Statement

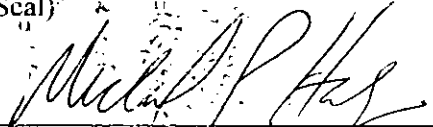
Lakeland Utilities
McIntosh Unit 3
Polk County

DEP File No.: PSD-FL-008, PA 92-33
Facility ID No.: 105004

Project: FGD Forced Oxidation Conversion

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).

(Seal)



Michael P. Halpin, P.E.
Registration Number: 31970

2-2-06
Date

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

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



Jeb Bush
Governor

Department of Environmental Protection

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

Colleen M. Castille
Secretary

February 2, 2006

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Timothy Bachand
Director Energy Supply
Lakeland Utilities
501 East Lemon Street
Lakeland, FL 33801-5079

Re: DEP File No. PSD-FL-008 (PA 74-06)
Lakeland McIntosh Unit No. 3 FGD Modifications

Dear Mr. Bachand:

Enclosed is one copy of the Draft Air Construction Permit relative to the proposed forced oxidation conversion of the McIntosh Unit 3 Flue Gas Desulphurization system. The facility is located at 3030 East Lake Parker Drive, Lakeland, Polk County.

The Public Notice of Intent to Issue Air Construction Permit must be published one time only, as soon as possible, in the legal advertisement section of a newspaper of general circulation in the area affected, pursuant to the requirements Chapter 50, Florida Statutes. Proof of publication, i.e., newspaper affidavit, must be provided to the Department's Bureau of Air Regulation office within seven days of publication. Failure to publish the notice and provide proof of publication may result in the denial of the permit.

Please submit any written comments you wish to have considered concerning the Department's proposed action to J. F. Koerner, P.E., Administrator, North Permitting Section at the above letterhead address. If you have any other questions, please contact Michael P. Halpin at 850/921-9519.

Sincerely,

For

Trina Vielhauer, Chief,
Bureau of Air Regulation

TV/mph

Enclosures

"More Protection, Less Process"

Printed on recycled paper.

In the Matter of an
Application for Permit by:

Timothy Bachand, Director
Lakeland Utilities
501 East Lemon Street
Lakeland, Florida 33801-5079

DEP File No. PSD-FL-008 (PA 74-06)

INTENT TO ISSUE AIR CONSTRUCTION PERMIT

The Department of Environmental Protection (Department) gives notice of its intent to issue an Air Construction Permit (copy of Draft permit attached) for the proposed project, detailed in the application specified above and for the reasons stated below.

The applicant, Timothy Bachand, Director Energy Supply, Lakeland Utilities, applied on January 30, 2006, to the Department for an Air Construction Permit for its McIntosh Unit No. 3 Flue Gas Desulphurization (FGD) system. The facility is located at 3030 East Lake Parker Drive, Lakeland, Polk County. The permit is to allow for the conversion of the existing FGD system to forced oxidation, thereby increasing the production of resalable gypsum byproduct. No significant emissions increase will occur as a result of this permit.

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 an Air Construction Permit is required to modify a pollution control device.

The Department intends to issue this Air Construction Permit based on the belief that reasonable assurances have been provided to indicate that operation of these emission units will not adversely impact air quality, and the emission units will comply with all appropriate provisions of Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, F.A.C.

Pursuant to Section 403.815, F.S., and Rule 62-110.106(7)(a)1., F.A.C., you (the applicant) are required to publish at your own expense the enclosed Public Notice of Intent to Issue Air Construction Permit. The notice shall be published one time only in the legal advertisement section of a newspaper of general circulation in the area affected. Rule 62-110.106(7)(b), F.A.C., requires that the applicant cause the notice to be published as soon as possible after notification by the Department of its intended action. 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. If you are uncertain that a newspaper meets these requirements, please contact the Department at the address or telephone number listed below. The applicant shall provide proof of publication to the Department's Bureau of Air Regulation, at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, Florida 32399-2400 (Telephone: 850/488-0114; Fax 850/ 922-6979). You must provide proof of publication within seven days of publication, pursuant to Rule 62-110.106(5), F.A.C. No permitting action for which published notice is required shall be granted until proof of publication of notice is made by furnishing a uniform affidavit in substantially the form prescribed in section 50.051, F.S. to the office of the Department issuing the permit. Failure to publish the notice and provide proof of publication may result in the denial of the permit pursuant to Rules 62-110.106(9) & (11), F.A.C.

The Department will issue the final permit with the attached conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The Department will accept written comments concerning the proposed permit issuance action for a period of 14 (fourteen) days from the date of publication of Public Notice of Intent to Issue Air Construction Permit. Written comments should be provided to the Department's Bureau of Air Regulation at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, FL 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the proposed agency action, the Department shall revise the proposed permit and require, if applicable, another Public Notice.

The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below.

A person whose substantial interests are affected by the proposed permitting decision 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 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 notice of intent. 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 publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. Under section 120.60(3), however, any person who asked the Department 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 of the Florida Administrative Code.

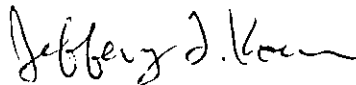
A petition that disputes the material facts on which the Department's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner, the 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.

Mediation is not available in this proceeding.

Executed in Tallahassee, Florida.



Trina Vielhauer, Chief
Bureau of Air Regulation

For

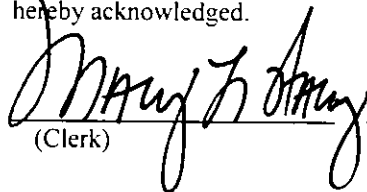
CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Intent to Issue Air Construction Permit (including the Public Notice of Intent to Issue Air Construction Permit and the Draft permit) was sent by certified mail (*) and copies were mailed by U.S. Mail before the close of business on 2/3/06 to the person(s) listed:

Mr. Timothy Bachand, Lakeland Utilities *
Ms. Farzie Shelton, Lakeland Utilities
Mr. Ken Kosky, Golder
Mr. Jim Little, EPA
Mr. John Bunyak, NPS
Mr. Joel Smolen, SWD
Mr. William Kutash, SWD
Mr. Hamilton Oven, PPSO
Mr. Joe King, Polk County

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) 2/3/06 (Date)

PUBLIC NOTICE OF INTENT TO ISSUE AIR CONSTRUCTION PERMIT

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP File No. PSD-FL-008 (PA 74-06)

Lakeland Utilities
C.D. McIntosh, Jr. Power Plant - Unit No. 3
Polk County

The Department of Environmental Protection (Department) gives notice of its intent to issue an Air Construction Permit to Lakeland Utilities, for the McIntosh Unit 3 Flue Gas Desulphurization (FGD) system. The facility is located at 3030 East Lake Parker Drive, Lakeland, Polk County. The permit is to allow for the conversion of the existing FGD system to forced oxidation, thereby increasing the production of resalable gypsum byproduct. No significant air emissions increase will occur as a result of this permit. The applicant's mailing address is: Lakeland Utilities, 501 East Lemon Street, Lakeland FL 33801.

An air quality impact analysis was not conducted or required. The Department will issue the Final Permit with the attached conditions unless a response received in accordance with the following procedures results in a different decision or significant change of terms or conditions.

The Department will accept written comments concerning the proposed permit issuance action for a period of 14 (fourteen) days from the date of publication of this Public Notice of Intent to Issue Air Construction Permit. Written comments should be provided to the Department's Bureau of Air Regulation at 2600 Blair Stone Road, Mail Station #5505, Tallahassee, FL 32399-2400. Any written comments filed shall be made available for public inspection. If written comments received result in a significant change in the proposed agency action, the Department shall revise the proposed permit and require, if applicable, another Public Notice.

The Department will issue the permit with the attached conditions unless a timely petition for an administrative hearing is filed pursuant to sections 120.569 and 120.57 F.S., before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below. Mediation is not available in this proceeding.

A person whose substantial interests are affected by the proposed permitting decision 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 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 notice of intent. 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 publication of the public notice or within fourteen days of receipt of this notice of intent, whichever occurs first. Under section 120.60(3), however, any person who asked the Department 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 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

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

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.

A complete project file 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:

Florida Department of
Environmental Protection
Bureau of Air Regulation
111 S. Magnolia Drive, Suite 4
Tallahassee, Florida, 32301
Telephone: (850) 488-1344
Fax: (850) 922-6979

Florida Department of
Environmental Protection
Southwest District Office
13051 N. Telecom Parkway
Temple Terrace, Florida 33637-0926
Telephone: (813) 632-7600
Fax: (813) 632-7668

Lakeland Utilities
Attention: Ms. Farzie Shelton
501 East Lemon Street
Lakeland, Florida 33801-5079
Telephone: (941) 499-6603
Fax: (941) 603-6335

The complete project file includes the application, Draft permit, and the information submitted by the Responsible Official, exclusive of confidential records under Section 403.111, F.S. Interested persons may contact the Administrator, New Source Review Section, at 111 South Magnolia Drive, Suite 4, Tallahassee, Florida 32301, or call 850/488-0114, for additional information.

NOTICE TO BE PUBLISHED IN THE NEWSPAPER

DRAFT

February XX, 2006

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Timothy Bachand
Director Energy Supply
Lakeland Utilities
501 East Lemon Street
Lakeland, FL 33801-5079

Re: DEP File No. PSD-FL-008, PA 74-06
Lakeland McIntosh Unit No. 3 FGD Modifications

Dear Mr. Bachand:

The Department has reviewed your application dated January 26, 2006 concerning planned Flue Gas Desulfurization modifications on McIntosh Unit 3 located in Polk County, Florida. The proposed modifications are being made in order to convert the existing FGD system to forced oxidation. Such changes include the installation of compressors/blowers, air sparging lances and absorber agitators, as well as making changes to the absorber bleed system for dewatering the gypsum byproduct.

In order to ensure the aforementioned changes do not cause PSD significant increases to air emissions, Lakeland Utilities shall comply with the requirements of this permit, however all conditions of existing permits shall remain in force.

McIntosh Unit 3 shall be subject to the following additional conditions:

1. The permittee shall notify the DEP Southwest District one day prior to commencement of the construction activities outlined above and 7 days prior to commencement of any related stack performance testing.
2. The Department's Southwest District shall be notified within 5 days, in writing, upon completion related construction activities.
3. Within 30 days of placing Unit 3 on line (after the above FGD modifications are completed) stack testing shall be performed for SO₂ and particulate matter in order to demonstrate that existing permit conditions can be met. Performance tests shall be conducted and data reduced in accordance with methods and procedures in accordance with EPA or DEP approved test methods.
4. This modification, including related activities shall not result in the release of objectionable odors pursuant to Rule 62-296.320(2), F.A.C.
5. Lakeland shall utilize best practices in order to ensure that fugitive emissions resulting from this modification (including subsequent long-term material handling operations) are minimized. In no case, shall particulate emissions from such fugitive emission exceed 20% opacity.
6. A written summary shall be submitted to the Bureau of Air Regulation within 60 days of completion of the completion of all above-required tests.

This letter must be attached to and shall become a part of the existing permit.

No other changes to the permit are authorized by this action.

Mr. Timothy Bachand
February XX, 2006

DRAFT

A copy of this letter shall be filed with the referenced permit and shall become part of the permit. This permit is issued pursuant to Chapter 403, Florida Statutes. Any party to this order (permit) has the right to seek judicial review of it under Section 120.68, F.S., by the filing of 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 of Appeal must be filed within (thirty) days after this Notice is filed with the Clerk of the Department.

Executed in Tallahassee, Florida.

Sincerely,

Michael G. Cooke, Director
Division of Air Resource
Management

/mph

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Addressee <i>Bonnie Brem</i></p> <p>B. Received by (Printed Name) <i>Bonnie Brem</i></p> <p>C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Ms. Farzie Shelton Lakeland Utilities 501 East Lemon Street Lakeland, Florida 33801-5079</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p><i>7000 1670 0013 3110 0536</i></p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Addressee <i>Bonnie Brem</i></p> <p>B. Received by (Printed Name) <i>Bonnie Brem</i></p> <p>C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Mr. Timothy Bachand Director Energy Supply Lakeland Utilities 501 East Lemon Street Lakeland, Florida 33801-5079</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p><i>7000 1670 0013 3110 0512</i></p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

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

7000 1670 0013 3110 0536

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

Postmark
Here

Mr. Timothy Bachand
 Director Energy Supply
 Lake Utilities
 501 West Lemon Street
 Lakeland, Florida 33801-5079

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

7000 1670 0013 3110 0536

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

Postmark
Here

Ms. Farzie Shelton
 Lakeland Utilities
 501 East Lemon Street
 Lakeland, Florida 33801-5079

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

7000 1670 0013 3110 0512

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

Postmark
Here

Mr. Timothy Bachand
 Director Energy Supply
 Lakeland Utilities
 501 East Lemon Street
 Lakeland, Florida 33801-5079