

A.K. (BEN) SHARMA, P.E.
DIRECTOR OF POWER SUPPLY



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0005539

August 15, 1994

Bureau of Air Regulations
Florida Department of Environmental Protection
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Attention: Mr. John Brown

RE Permit to Operate
Permit No. AC49-205703

Gentlemen:

Pursuant to the telephone conversation you had with Amy Carlson of Black & Veatch on July 8, 1994, Kissimmee Utility Authority (KUA) is requesting an amendment of the construction permit (Permit No. AC49-205703) for our Cane Island Facility. The proposed amendment would extend the Authority to Construction/Prevention of Significant Deterioration permit expiration date and allow KUA to operate its facility under its existing construction permit. This letter provides revised Specific Condition language for amendment of the permit and includes the required \$250 amendment fee.

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This letter also serves to respond to the Florida Department of Environmental Protection's (FDEP's) June 30, 1994 letter to KUA requesting the confirmation of actual emissions and the payment of emission fees.

If you have any questions concerning the information or requests contained within this letter, please call Amy Carlson at Black & Veatch (913) 339-7425.

Background

KUA received the state of Florida air construction permit for their Cane Island Units 1 and 2 on April 4, 1993. This permit expires on March 31, 1995, unless an extension is requested (according to Specific Condition 26 of the permit) at least 60 days prior to the expiration date, and the extension is granted by the FDEP. Specific Condition 27 of the permit requires that an operating permit application be submitted

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to the FDEP at least 90 days prior to the expiration date of the construction permit. Without an extension, the deadline to submit an operation permit application would be on December 31, 1994 for Units 1 and 2.

Unit 1 is presently being constructed and is scheduled to begin initial operation this month. After compliance testing, it is expected that this Unit will commence commercial operation in September, 1994. Unit 2 is also under construction. Initial operation for testing purposes is scheduled to begin in December 1994 or early 1995.

Thus, without an extension of the construction permit, an operating permit application would need to be submitted prior to the stack testing of Unit 2. In addition, the current Florida regulations implementing the Title V operating program would require submittal of the Title V operating permit application by April 2, 1995.

Therefore, to ensure that the facility can commence operation under a valid permit and to avoid the duplicity of effort in submitting two operating permit applications within four months of each other, KUA is requesting that the construction permit be extended.

Construction Permit Extension

In your conversation with Amy Carlson on July 8, 1994, you mentioned that the above request may be granted after supplying FDEP with the following information.

1. Requested Amendment to Construction Expiration Date.
2. A request for the facility to operate under the terms and conditions specified in the construction permit.
3. Revised permit conditions which allow the submittal of the operating permit application consistent with Title V requirements.
4. A statement that the permit extension does not relieve the owner/operator from the original compliance testing schedule set forth in the construction permit.

The requested information is provided in the following paragraphs.

Requested Amendment to Construction Expiration Date

From March 31, 1995 to July 9, 1995

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Revision of Specific Permit Conditions

Add Specific Condition 28: The facility shall be allowed to commence operation in accordance with all the terms and provisions included herein, after conducting stack compliance testing as specified in Specific Condition 8. This extended and amended permit will constitute a temporary Permit to Operate upon commencement of operation and is valid through the expiration date listed herein.

Specific Condition 27: An application for an operation permit must be submitted to the Central District office at least 90 days prior to the expiration date of this construction permit in accordance with the applicable operating permit rules. To properly apply for an operation permit, the applicant shall submit the appropriate application form, fee, certification that construction was completed noting any deviations from the conditions in the construction permit, and compliance test reports as required by this permit (F.A.C. Rules 17-4.055 and 17-4.220).

Specification Condition 7: Any other operating parameters established during compliance testing and/or inspection that will ensure the proper operation of this facility may be included in the operating permit or in this amended construction permit upon sufficient request and documentation to the FDEP by the owner/operator.

Because the compliance testing condition (Specific Condition 8) sets the schedule based upon initial operation, and not the expiration date of the permit, Specific Condition 8 does not have to be revised to ensure compliance with NSPS requirements.

Emission Fees

On June 30, 1994, the FDEP sent a letter to KUA requesting verification of actual emissions during 1993, and the appropriate emissions fees to be provided to the FDEP.

Cane Island Units 1 and 2 were under construction in 1993 and were not operational in any capacity. Therefore, the actual emissions resulting from the operation of the units was 0 tpy. Because the Cane Island Plant is a Title V facility and will not have a permit to operate until 1995, an emission fee will not need to be paid until the first quarter of 1996 (i.e., between January 15 and March 1 of 1995) per F.A.C. regulation 17-213.200. However, because KUA is requesting that the facility be allowed to operate under an extended construction permit, any emissions that occur as a result of commercial operation in 1994 will be quantified and submitted with the appropriate fee to the FDEP in the first quarter of 1995. DEP Form

Bureau of Air Regulations
August 15, 1994
Page 4

17-213.900(1) "Major Air Pollution Source Annual Operation License Fee Form" will be completed and submitted with the licensing fee. Units 1 and 2 are both affected units under Title IV, and the annual licensing fee for 1996 through 1999 of \$250 (per year) will be submitted to the FDEP as appropriate.

We look forward to your review and expedient resolution of this matter.

Sincerely,

A. K. Sharma

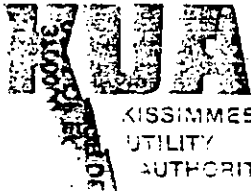
A. K. (Ben) Sharma, P.E.
Director of Power Supply

AKS/css

Enclosure

cc: Hobart Jacobs, B&V
Jeff Ling
Amy Carlson, B&V

J. Heron
C. Collins, c Dist.



KISSIMMEE UTILITY AUTHORITY VOID AFTER 90 DAYS
 KISSIMMEE, FLORIDA
 GENERAL OPERATING FUND

88-435
 881

DATE
 8/15/94

NO. 063268

0005539

AMOUNT
 \$250.00

PAY TO:
 Florida Dept of Environmental
 Protection
 2600 Blair Stone Rd
 Tallahassee FL 32399-2400

Richard L. Hord
 CHAIRMAN

James C. Welsh
 PRESIDENT AND GENERAL MANAGER
 CEO

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NO: 063268

KISSIMMEE UTILITY AUTHORITY

NO	DESCRIPTION	REFERENCE	DATE	ACCOUNT NUMBER/PROJECT	AMOUNT
	Amendment fee		8/15/94	041 9810 981 06 40 G34001	250.00
					250.00