

A.K. (BEN) SHARMA, P.E.
Vice President of Power Supply
E-mail: BSHARMA@KUA.COM



P.O. BOX 423219, KISSIMMEE, FLORIDA 34742-3219
(407) 933-7777 FAX: 407-847-0787

June 6, 2003

Florida Department of Environmental Protection
Division of Air Resources Management
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RECEIVED

JUN 09 2003

BUREAU OF AIR QUALITY CONTROL

Subject: Title V Air Operation Permit
Revision Application (0970043-010-AV)
KUA Cane Island Power Park – Unit 3
Facility ID No.: 0970043

Attention: Scott M. Sheplak, P.E.
Administrator, Title V Section

Dear Mr. Sheplak:

Thank you for your letter of May 19, 2003 confirming the Department's receipt of the additional information (i.e., compliance stack test results) required for the final processing of KUA's Title V Air Operating Permit Revision for Unit 3. In addition, your letter requests a signed Statement of Compliance Form and a Continuous Assurance Monitoring (CAM) plan for Unit 3's selective catalytic reduction (SCR) unit. KUA submits the following in response to these requests.

Statement of Compliance Form:

I understand that Mr. Jerome Guidry, KUA's retained environmental consultant, has already spoken with DEP officials and has taken care of the issue.

Unit 3 CAM Plan:

On behalf of KUA, Black & Veatch conducted a conference call with Tom Cascio and John Holtom of your staff on June 3, 2003 to discuss CAM regulation applicability to KUA Unit 3's SCR. Black & Veatch explained that the Unit 3 NO_x emissions limit specified in the PSD Air Construction Permit and Title V Air Operating Permit Revision Application is subject to a continuous compliance monitoring requirement for the applicable BACT emission limit. A continuous emission monitor (CEMS) is specified in

June 6, 2003

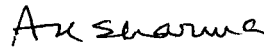
Page -2-

the PSD permit as the continuous compliance determination method for the NO_x emission limit, and it is certified pursuant to 40 CFR Part 75.

Based on this information, I understand both Mr. Cascio and Mr. Holtom agreed during the course of that discussion that Unit 3 SCR is exempt from the CAM regulatory requirements in accordance with 40 CFR Part 64.2(b)(1)(iii) and/or Part 64.2(b)(1)(vi) exemptions. I believe it was also understood from this conversation that with the aforementioned compliance form and the CAM issue resolved, the Department is now in receipt of the information necessary to finalize and issue KUA's revised Title V Air Operating Permit incorporating Unit 3.

If you have any questions regarding this submittal, or require additional information, please do not hesitate to contact me at 407-933-7777, Ext 1232 or Tim Hillman of Black & Veatch at 913-458-7928.

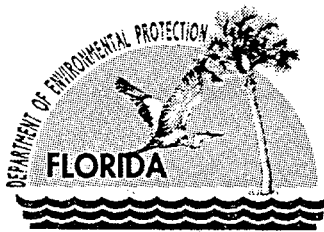
Sincerely,



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

Enclosures

cc: Mr. Tom Cascio, DEP
Tim Hillman, B&V
Jerome Guidry
Larry Mattern, KUA
Jim Welsh, KUA



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

May 19, 2003

Certified Mail – Return Receipt Requested

Mr. A. K. Ben Sharma, P.E.
Vice President of Power Supply
Kissimmee Utility Authority
P.O. Box 423219
Kissimmee, FL 34742-3219

Re: Title V Air Operation Permit Revision Application (0970043-010-AV)
Cane Island Power Park – Unit 3
Facility ID No.: 0970043

Dear Mr. Sharma:

Thank you for providing additional information required for processing the Kissimmee Utility Authority's application for a Title V Permit Revision for the subject facility. However, we still need a signed Statement of Compliance Form - Title V Source (Form No. DEP 62-213.900(7)). A copy for your use is enclosed. Also, please provide a Compliance Assurance Plan (CAM plan) for the Selective Catalytic Reduction Unit installed at the new Unit 3.

Please call Tom Cascio at 850-921-9526 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Scott M. Sheplak".

Scott M. Sheplak, P.E.
Administrator
Title V Section

Enclosure

"More Protection, Less Process"

Printed on recycled paper.

SENDER: COMPLETE THIS SECTION

- 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.
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1. Article Addressed to:

Mr. A.K. Ben Sharma, P.E.
 Vice President of Power Supply
 Kissimmee Utility Authority
 P.O. Box 423219
 Kissimmee, Florida 34742-3219

2. Article Number

(Transfer from service label) 7000 2870 0000 7028 1051

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *H. Bolivar* Agent
 Addressee

B. Received by (Printed Name)

H. BOLIVAR

C. Date of Delivery

5/27

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

**U.S. Postal Service
 CERTIFIED MAIL RECEIPT
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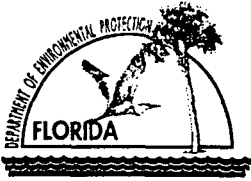
7000 2870 0000 7028 1051

OFFICIAL USE
 Mr. A.K. Ben Sharma, P.E.

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

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Sent To
 Mr. A.K. Ben Sharma, P.E.
 Street, Apt. No.; or PO Box No.
 P.O. Box 423219
 City, State, ZIP+ 4
 Kissimmee, Florida 34742-3219



Department of Environmental Protection

Division of Air Resource Management

STATEMENT OF COMPLIANCE - TITLE V SOURCE

REASON FOR SUBMISSION (Check one to indicate why this statement of compliance is being submitted)

<input type="checkbox"/> Annual Requirement	<input type="checkbox"/> Transfer of Permit	<input type="checkbox"/> Permanent Facility Shutdown
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REPORTING PERIOD*	REPORT DEADLINE**
_____ through _____ of _____ (year)	_____

*The statement of compliance must cover all conditions that were in effect during the indicated reporting period, including any conditions that were added, deleted, or changed through permit revision.

**See Rule 62-213.440(3)(a)2., F.A.C.

Facility Owner/Company Name: _____

Site Name: _____ Facility ID No. _____ County: _____

COMPLIANCE STATEMENT (Check only one of the following three options)

_____ **A.** This facility was in compliance with all terms and conditions of the Title V Air Operation Permit and, if applicable, the Acid Rain Part, and there were no reportable incidents of deviations from applicable requirements associated with any malfunction or breakdown of process, fuel burning or emission control equipment, or monitoring systems during the reporting period identified above.

_____ **B.** This facility was in compliance with all terms and conditions of the Title V Air Operation Permit and, if applicable, the Acid Rain Part; however, there were one or more reportable incidents of deviations from applicable requirements associated with malfunctions or breakdowns of process, fuel burning or emission control equipment, or monitoring systems during the reporting period identified above, which were reported to the Department. For each incident of deviation, the following information is included:

1. Date of report previously submitted identifying the incident of deviation.
2. Description of the incident.

_____ **C.** This facility was in compliance with all terms and conditions of the Title V Air Operation Permit and, if applicable, the Acid Rain Part, EXCEPT those identified in the pages attached to this report and any reportable incidents of deviations from applicable requirements associated with malfunctions or breakdowns of process, fuel burning or emission control equipment, or monitoring systems during the reporting period identified above, which were reported to the Department. For each item of noncompliance, the following information is included:

1. Emissions unit identification number.
2. Specific permit condition number (note whether the permit condition has been added, deleted, or changed during certification period).
3. Description of the requirement of the permit condition.
4. Basis for the determination of noncompliance (for monitored parameters, indicate whether monitoring was continuous, i.e., recorded at least every 15 minutes, or intermittent).
5. Beginning and ending dates of periods of noncompliance.
6. Identification of the probable cause of noncompliance and description of corrective action or preventative measures implemented.
7. Dates of any reports previously submitted identifying this incident of noncompliance.

For each incident of deviation, as described in paragraph B. above, the following information is included:

1. Date of report previously submitted identifying the incident of deviation.
2. Description of the incident.

STATEMENT OF COMPLIANCE - TITLE V SOURCE

RESPONSIBLE OFFICIAL CERTIFICATION

I, the undersigned, am a responsible official (Title V air permit application or responsible official notification form on file with the Department) of the Title V source for which this document is being submitted. With respect to all matters other than Acid Rain program requirements, I hereby certify, based on the information and belief formed after reasonable inquiry, that the statements made and data contained in this document are true, accurate, and complete.

(Signature of Title V Source Responsible Official)

(Date)

Name: _____

Title: _____

DESIGNATED REPRESENTATIVE CERTIFICATION (only applicable to Acid Rain source)

I, the undersigned, am authorized to make this submission on behalf of the owners and operators of the Acid Rain source or Acid Rain units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

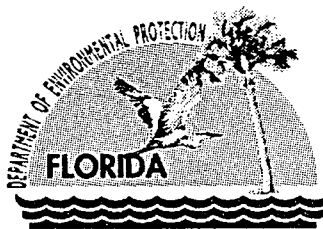
(Signature of Acid Rain Source Designated Representative)

(Date)

Name: _____

Title: _____

{Note: Attachments, if required, are created by a responsible official or designated representative, as appropriate, and should consist of the information specified and any supporting records. Additional information may also be attached by a responsible official or designated representative when elaboration is required for clarity. This report is to be submitted to both the compliance authority (DEP district or local air program) and the U.S. Environmental Protection Agency(EPA) (U.S. EPA Region 4, Air and EPCRA Enforcement Branch, 61 Forsyth Street, Atlanta GA 30303).}



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

April 21, 2003

Mr. A. K. Ben Sharma, P.E.
Vice President of Power Supply
Kissimmee Utility Authority
P.O. Box 423219
Kissimmee, FL 34742-3219

Re: Title V Air Operation Permit Revision Application (0970043-010-AV)
Cane Island Power Park – Unit 3
Facility ID No.: 0970043

Dear Mr. Sharma:

In our letter to you dated January 30, 2002, we indicated certain incompleteness items needed to process the Kissimmee Utility Authority's application for a Title V Permit Revision for the subject facility. However, to date, we have not received a written response. Please note that Rule 62-4.055(1), F.A.C., requires a response to requests for information within 90 days.

If you wish to further pursue this permitting action, please provide the needed information within 30 days of receipt of this letter. Alternately, you could formally withdraw the application, thus avoiding the need for us to *deny the request for the revision to the permit*.

Please call Tom Cascio at 850-921-9526 if you need to discuss this matter further.

Sincerely,

A handwritten signature in black ink that reads "Scott M. Sheplak, P.E.".

Scott M. Sheplak, P.E.

Administrator
Title V Section

"More Protection, Less Process"

Printed on recycled paper.



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

Certified Mail – Return Receipt Requested

January 30, 2002

Mr. A. K. Ben Sharma, P.E.
Vice President of Power Supply
Kissimmee Utility Authority
P.O. Box 423219
Kissimmee, FL 34742-3219

Re: Title V Air Operation Permit Revision Application (0970043-010-AV)
Cane Island Power Park – Unit 3
Facility ID No.: 0970043

Dear Mr. Sharma:

Thank you for your recent response to our incompleteness letter dated December 4, 2001, concerning the Title V Air Operation Permit Revision Application for the subject facility. However, we must deem your application *still incomplete*, because full compliance with the conditions of air construction permit PSD-FL-254 has not been demonstrated. In your letter, you indicated that it was planned that tests were to be held from January 9th through the 11th of this year. Please provide us with the test results as soon as they are available. In addition, please include a Compliance Certification document signed by the Responsible Official with the next submission.

When we receive this information we will continue processing your application. If you have questions, please call Tom Cascio at 850/921-9526.

Sincerely,

A handwritten signature in black ink that reads "Scott M. Sheplak". The signature is written in a cursive, flowing style.

Scott M. Sheplak, P.E.
Administrator
Title V Section

cc: Mr. Mark A. Wiitanen, P.E., Black & Veatch

"More Protection, Less Process"

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1. Article Addressed to:
 Mr. A.K. Ben Sharma, P.E.
 Vice President of Power Supply
 Kissimmee Utility Authority
 P.O. Box 423219
 Kissimmee, Florida 34742-3219

A. Received by (Please Print Clearly) <i>W.D. Bobbitt</i>	B. Date of Delivery <i>020402</i>
C. Signature <i>W.D. Bobbitt</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
D. Is delivery address different from item 1? If YES, enter delivery address below: <input type="checkbox"/> Yes <input type="checkbox"/> No	

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.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)
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Mr. A.K. Ben Sharma, P.E.

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Recipient's Name (Please Print Clearly) (To be completed by mailer)
 Mr. A.K. Ben Sharma, P.E.

Street, Apt. No., or PO Box No.
 P.O. Box 423219

City, State, ZIP+4
 Kissimmee, Florida 34742-3219

PS Form 3800, February 2000 See Reverse for Instructions

Scott Sheplak



Jeb Bush
Governor

Department of Environmental Protection

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

David B. Struhs
Secretary

July 18, 2001

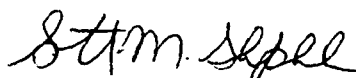
Mr. Timothy M. Hillman
Air Permitting Manager
Black & Veatch Corporation
21 West Church Street, Tower 10
Jacksonville, Florida 32202-3139

Re: KUA Cane Island Power Park Fuel Gas Heater
Facility **0970043**

Dear Mr. Hillman:

We have reviewed the documentation on the subject fuel gas heater as described in your letter dated July 16, 2001, and concur with the conclusion that the said heater should be properly identified as an *insignificant activity* in the planned Title V Air Operation Permit Revision Application for the facility.

Sincerely,


Scott M. Sheplak/P.E.
Administrator
Title V Section

Cc: Mr. Len Kozlov, Central District Office DEP



BLACK & VEATCH

21 West Church Street, Tower 10
Jacksonville, Florida 32202-3139 USA

Black & Veatch Corporation

Tel: (904) 665-4448
Fax: (904) 665-5234

Kissimmee Utility Authority
Cane Island Unit 3

B&V Project 65270
B&V File 32.0465
B&V Letter No.: BV/KUA - L???
July 16, 2001

Florida Department of Environmental Protection
Division of Air Resources Management
2600 Blair Stone Road
Tallahassee, Florida 32399

Subject: Fuel Gas Heater Air Permitting Applicability

Attention: Teresa Heron
Air Permit Engineer

Dear Ms. Heron:

As we discussed during our telephone conversation on Thursday, July 12, 2001, the purpose of this letter is to request the DEP's review and concurrence of the regulatory and air permitting applicability of a natural gas fired, 3.5 mmBtu/hr fuel gas heater installed at KUA's Cane Island Power Park as part of the Unit 3 combined cycle combustion turbine project. The fuel gas heater unit was identified during an emission unit inventory conducted in preparation for the Title V Air Operating Permit Revision Application for Unit 3.

Based on our initial regulatory analysis of the fuel gas heater, we have concluded the fuel gas heater does not require an air construction permit, and for purposes of the Title V Air Operating Permit, meets the requirements of an insignificant air emissions source. The following information is provided for your consideration regarding the fuel gas heater and the relevant air permitting regulations.

Air Construction Permit Requirements

The fuel gas heater is an indirect, water-bath, gas fired heater, utilizing hot water as heat transfer medium to raise the temperature of the natural gas prior to it entering the combustion turbine. A review of applicable regulatory requirements indicates that an air construction permit is not required for the natural gas fired fuel gas heater. This conclusion is based on our interpretation of Rule 62-210.300 Permits Required, Part (3) Exemptions, Subpart (a)(3) Categorical Exemptions, which states:

"One or more fossil fuel steam generators and hot water generating units located within a single facility, collectively having a total rated heat input equaling 10 million BTU per hour or less, and firing exclusively by natural gas or propane, provided:

- a. During periods of natural gas curtailment, only propane or fuel oil containing no more than 1.0 percent sulfur is fired; and*
- b. None of the generators or hot water heating units is subject to the Federal Acid Rain program."*

The natural gas fired fuel gas heater is considered a hot water generating unit with a heat input of less than 10 mmBtu/hr, and is therefore categorically exempt from having to obtain an air construction permit.

Kissimmee Utility Authority
Cane Island Unit 3

B&V Project 65270
July 16, 2001

cc: Ben Sharma, KUA
Larry Mattern, KUA
Ron Utter, B&V
Don Schultz, B&V
Mike Soltys, B&V