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Golder Associates

September 10, 2007

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BUREAU OF AIR REGULATION

Florida Department of Environmental Protection
Bureau of Air Regulation
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Attention: Mr. Al Linero, P.E.

RE: CF Industries
DEP File No. 1050059-023-AC
Best Available Retrofit Technology (BART) Review
CF Industries – Plant City Plant
REQUEST FOR ADDITIONAL INFORMATION

Dear Mr. Linero:

CF Industries (CFI) has received a second request for additional information (RAI) from the Florida Department of Environmental Protection (FDEP) dated August 10, 2007, regarding the Best Available Retrofit Technology (BART) determination analysis originally submitted in January 2007 and the response to the first RAI dated July 9, 2007. There are two comments contained in the latest RAI, both of which are answered below, in the same order as they appear in the RAI letter.

Economic Analysis

Comment 1. **In all cost effectiveness calculations that were submitted with your response the project contingency was based on 25% of the Direct Capital Cost (DCC) plus the Indirect Capital Cost (ICC). Please explain for using such a high percentage of 25% when the EPA Cost Manual uses 3% contingency figure. Additionally, explain the reasons for using contingency based on DCC+ICC and not on Purchased Equipment Cost (PEC) as indicated in the manual.**

Response: The contingency figure of 3-percent used in the EPA Cost Manual (Table 1.3, Section 5) is the estimated contingency associated with new projects, and is used to account for unanticipated items. The retrofit cost factor is intended for existing facilities to which control equipment is being added. The retrofit cost considerations are explained in Section 2.5.4.2 of Chapter 2 of the Cost Manual. The retrofit factor is to cover unexpected costs such as the unexpected magnitude of anticipated cost elements, the costs of unexpected delays, the cost of re-engineering and re-fabrication, and the cost of correcting design errors. The Cost Manual states that because of the lack of sufficient information to fully assess the potential hidden costs of installing a control system in an existing facility, a retrofit factor as high as 50-percent can be justified. Because the retrofit cost estimate is subjective and varies across the spectrum of control devices, a factor of only 25 percent was used as a conservative assumption to cover potential unforeseen issues associated with installing additional controls at the CFI Plant City facility.

As explained in the Cost Manual, the retrofit factor applies not only to the equipment cost, but also to the direct installation costs and the indirect capital costs. Therefore, the 25-percent retrofit factor was applied to the total capital cost (direct plus indirect).

Diammonium Phosphate /Monoammonium Phosphate (DAP/MAP) Plants A, X, Y, and Z

Comment 11. For each DAP/MAP plant subject to BART, please submit the sulfur content of each allowable fuel (No. 2, No. 3, No. 4 and No. 5 fuel oil).

Response: Natural gas is the primary fuel used in the DAP/MAP plants. The permit allows burning of No. 5 or better grade fuel oil as the backup fuel even though no fuel oil was burned in the DAP/MAP plants in the last 5 years. Typical sulfur contents of No. 2 distillate and No. 6 residual fuel oils are 0.5and 2.5 percent by weight, respectively. The sulfur content of No. 3, No. 4, and No. 5 fuel oils, which are blends of No. 2 and No. 6 oils, range between the 0.5 and 2.5 percent.

Thank you for consideration of this information. If you have any questions, please do not hesitate to call me at (352) 336-5600.

Sincerely,

GOLDER ASSOCIATES INC.

David A. Buff, P.E., Q.E.P.
Principal Engineer

Salahuddin Mohammad
Staff Engineer

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