One Energy Place
Pensacola, Florida 32520

Tel 850.444.6111

GULF POWER
A SOUTHERN COMPANY

August 29, 2002

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

020943-EI

Dear Ms. Bayo:

Enclosed are an original and fifteen copies of the Petition for Approval of FDEP/Gulf Power Company Agreement Pursuant to Section 366.8255(1)(d)7 of the Florida Statutes for Purposes of Cost Recovery of the Related Expenditures and Expenses through the Environmental Cost Recovery Clause.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in Microsoft Word format as prepared on a Windows NT based computer.

Sincerely,

Susan D. Ritenour

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

DOCUMENT NUMBER-DATE
09191 AUG 30 02
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for approval of FDEP/Gulf Power agreement pursuant to Section 366.8255(1)(d)7 of the Florida Statutes for purposes of cost recovery of the related expenditures and expenses through the Environmental Cost Recovery Clause.	Docket No. 02_____-EI Date Filed: August 30, 2002

PETITION FOR APPROVAL OF FDEP/GULF POWER AGREEMENT PURSUANT TO SECTION 366.8255(1)(d)7 OF THE FLORIDA STATUTES FOR PURPOSES OF COST RECOVERY OF THE RELATED EXPENDITURES AND EXPENSES THROUGH THE ENVIRONMENTAL COST RECOVERY CLAUSE

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned counsel, and pursuant to Section 366.8255(1)(d)7 of the Florida Statutes as amended during the 2002 Florida legislative session and Florida Public Service Commission ("Commission") Order Nos. PSC-94-0044-FOF-EI and PSC-94-1207-FOF-EI, hereby petitions this Commission for approval of the "Agreement for the Purpose of Ensuring Compliance with Ozone Ambient Air Quality Standards" ("Ozone Agreement") entered into on August 28, 2002 between the Florida Department of Environmental Protection ("FDEP") and Gulf Power as a new program for cost recovery through the Environmental Cost Recovery Clause ("ECRC"). As grounds for the relief requested by this petition, the Company would respectfully show:

(1) Notices and communications with respect to this petition and docket should be addressed to:

Jeffrey A. Stone
Russell A. Badders
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32591-2950

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

(2) Gulf is a corporation with its headquarters located at 500 Bayfront Parkway, Pensacola, Florida 32501. The Company is an investor-owned electric utility operating under the jurisdiction of this Commission.

(3) Gulf owns and operates the Crist Plant generating facility in Escambia County, Florida. This plant generates electricity for the consuming public through the combustion of fossil fuels. The combustion of fossil fuels produces nitrogen oxides ("NOx"), which are some of the precursor compounds that contribute to the formation of ozone in the ambient air. The Crist Plant currently satisfies all federal and state air emissions requirements, including those applicable to NOx.

(4) Under the authority of the Clean Air Act, the United States Environmental Protection Agency ("USEPA") promulgated regulations dealing with air quality, including ambient air quality standards designed to protect human health and welfare. One such regulation places a limit on the amount of ozone that is considered to be acceptable in the ambient air during any 8-hour period ("Ozone Standard"). Based upon the best available information, including ambient air quality monitoring data, FDEP does not expect Escambia and Santa Rosa Counties to be in compliance with the Ozone Standard in 2004/2005 unless significant reductions of emissions of ozone precursor compounds are achieved in the Pensacola, Florida Metropolitan Planning Area ("PFMPA").

(5) In its 2002 session, the Florida legislature adopted amendments to section 366.8255(1)(d) of the Florida Statutes to provide that an electric utility may seek recovery of costs and expenses prudently incurred pursuant to a voluntary agreement with FDEP or USEPA, for the purpose of ensuring compliance with ozone ambient air quality standards. The

legislation, which was sponsored in the Florida House by Representative Jerry Maygarden of Pensacola and in the Florida Senate by Senator Charlie Clary of Destin, and was supported during the legislative session by FDEP Secretary David Struhs and Florida Governor Jeb Bush, was signed into law by Governor Bush on May 23, 2002. In order to qualify for recovery through the ECRC, the agreement between the electric utility and the qualifying environmental agency for the purpose of ensuring compliance with ozone ambient air quality standards must be entered into on or after May 23, 2002 and prior to October 1, 2002.

(6) Representatives of FDEP and Gulf have met and arrived at a mutual agreement in furtherance of the purposes of Section 366.8255(1)(d)7 of the Florida Statutes as amended by Chapter 2002-276 of the Laws of Florida. A copy of the resulting Ozone Agreement, which was signed by the parties on August 28, 2002, is attached to and made a part of this petition as Appendix A.

(7) The Ozone Agreement calls for Gulf Power to make changes in its equipment and/or operations at Plant Crist. Such changes are designed to reduce the overall NOx emission rate at the plant as part of a community wide effort to reduce ozone precursor compounds in the PFMPA. When fully implemented, the Ozone Agreement will limit the overall 30 day average NOx emission rate at Plant Crist to 0.2 lbs./mmbtu year-round except for periods in which Crist Unit No. 7 ("Crist 7") is offline.[1] The predominant change envisioned by the agreement is the

[1] As the largest and most efficient of seven generating units at Plant Crist, Crist 7 is generally the economic choice to be operated. Whenever Crist 7 is offline, there is a greater reduction in NOx emissions than would otherwise result from operating Crist 7 with the new SCR. Since NOx reduction is the goal, the Ozone Agreement recognizes that the emission rate limit is not necessary when Crist 7 is not operating.

addition of Selective Catalytic Reduction ("SCR") technology to Crist 7 by May 1, 2005.[2] In addition to the NOx emission reductions that will occur as a result of the installation and operation of the Crist 7 SCR project, the Ozone Agreement also calls for further reductions in NOx emissions through the addition of NOx reduction technologies on one or more of the other coal-fired units at Plant Crist. The selection and installation of one or more additional NOx reduction technologies for one or more of the other units will follow engineering studies conducted as part of the Ozone Agreement.[3] The engineering studies contemplated by the Ozone Agreement are intended to produce unit specific cost and performance data that will allow Gulf to make a decision between various alternatives based on the relative cost-effectiveness of each technology. To augment the NOx reductions envisioned from the addition of the NOx reduction technologies discussed above, the Ozone Agreement also calls for the retirement of the three oldest Crist generating units (Crist 1, Crist 2 and Crist 3) by May 1, 2006.

(8) As shown in the graph set forth in Appendix B to this petition, the annual NOx emission reductions envisioned by the Ozone Agreement, as compared to 1999 baseline data, are equivalent to a result that could otherwise be achieved by the installation of SCR technology on both Crist 7 <u>and</u> Crist 6. The flexibility to study other alternatives for achieving an overall plant

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[2] Due to structural interference and performance concerns for the new SCR, the Ozone Agreement also calls for a new Crist 7 precipitator to be constructed at a new location in order to allow the new SCR to be built in the location of the old Crist 7 precipitator. The new SCR will be completed one year after construction of the new precipitator is completed.

[3] The deadline for installing other selected NOx reduction technologies is May 1, 2006 unless the cost effective choice is determined to be SCR technology for Crist 6. If SCR for Crist 6 is selected, the deadline for installation will be December 31, 2007. The Ozone Agreement calls for Gulf to obtain written concurrence from FDEP before implementing NOx reduction technology or technologies on one or more of the remaining coal-fired units at Plant Crist. The written concurrence from FDEP will specify that the use of the selected technology or technologies is reasonable and necessary to achieve the overall plantwide emission rate of 0.2 lbs/mmbtu specified in the Ozone Agreement.

wide btu weighted average NOx emission rate of 0.2 lbs/mmbtu may allow Gulf to avoid the cost of installing SCR technology on Crist 6 for a net savings of as much as $50 million or more.

(9) Gulf seeks approval of the Ozone Agreement as an environmental compliance program/activity appropriate for recovery through the ECRC pursuant to the amendments to the Florida Statutes contained in Chapter 2002-276 of the Laws of Florida. This new program is appropriate for ECRC recovery based on the provisions of Section 366.8255(1)(d)7 of the Florida Statutes and the prior orders of the Commission implementing the ECRC.

(10) The Company's expenses and/or expenditures associated with the activities discussed in the Ozone Agreement are not recovered through any other cost recovery mechanism or through base rates. These new activities were not included in the Company's last test year forecast upon which its current base rates were established. As a result, the expenditures and/or expenses associated with these activities will be incurred separate and apart from the expenditures and/or expenses for activities that were approved in the Company's last test year forecast upon which rates are based.

(11) Gulf is not requesting a change in the ECRC factors as part of this petition. The projected expenditures and expenses will be reflected in subsequent true-up and/or projection filings submitted as part of the ongoing docket addressing the ECRC. The actual expenditures made and expenses incurred by the Company will be addressed in subsequent ECRC filings and will be subject to audit.

(12) The parties to the Ozone Agreement acknowledge that the NOx reduction activities identified therein are conditioned upon timely approval by this Commission for cost recovery through the ECRC. Given that substantial expenditures must be undertaken early in 2003 in order to meet the deadlines set forth in the Ozone Agreement, it is imperative that Gulf obtain an order from this Commission authorizing Gulf to recover the costs incurred pursuant to this agreement through the Environmental Cost Recovery Clause that is rendered final within 90 days of the execution of the agreement.[4] If a final order is not rendered within 90 days of the date of execution of this agreement, the parties concur that the dates and schedules set forth in the Ozone Agreement are subject to revision solely by mutual agreement of the parties in order to allow Gulf to move forward with the activities described therein above pending a final order by the FPSC. If a final order is not rendered within 120 days of execution of this agreement, the entire agreement automatically becomes null and void unless extended by mutual written agreement of the parties within 30 days thereafter. The net effect of these provisions is that delay in final rendition of an order approving the request made by this petition beyond the end of this year will either result in delay of the NOx emission reductions contemplated by the Ozone Agreement or cancellation of the agreement altogether. Either result will frustrate the intent underlying enactment of Chapter 2002-276 of the Laws of Florida which is to enable communities such as the PFMPA to avoid becoming classified as non-attainment areas for ozone ambient air quality standards with the consequential effects that may include imposition of emission caps that could limit expansion of business and industry, addition of required vehicle emission testing, and federal road funding cutbacks. As a result, Gulf respectfully requests that

[4] A final order is one that is no longer subject to review or appeal by a court of competent jurisdiction.

the Commission take this petition up for consideration as Proposed Agency Action at the earliest opportunity. Towards that end, Gulf respectfully suggests that a Commission decision on this petition as Proposed Agency Action at the Commission Conference scheduled for October 1, 2002 followed by expedited entry of a PAA order would allow the traditional 21 day period for substantially affected parties to request a hearing to run in time for the Commission to hold a hearing, if requested, on November 20-22, 2002 as part of the proceedings in Docket No. 020007-EI related to the ECRC. Absent a request for hearing, such a PAA order will become final and begin the time for a substantially affected party to file a notice of appeal. If no such notice is filed, the resulting order will be rendered final and no longer subject to review or appeal within the deadlines specified by the Ozone Agreement. If a request for hearing is filed by an appropriate party, a Commission decision could still be issued and made final in the absence of an appeal before the Ozone Agreement would be rendered null and void by its own terms.

WHEREFORE, Gulf Power Company respectfully requests the Commission to approve the "Agreement for the Purpose of Ensuring Compliance with Ozone Ambient Air Quality Standards" entered into on August 28, 2002 between the Florida Department of Environmental Protection and Gulf Power Company and the costs associated therewith for recovery through the

Environmental Cost Recovery Clause consistent with this petition, and that such approval and authorization be set forth in a Proposed Agency Action order issued by the Commission at the earliest practical opportunity or grant such other relief as is just and reasonable.

Respectfully submitted the 29th day of August, 2002.

JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 7455
Beggs & Lane
501 Commendencia Street
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Pensacola, Florida 32591-2950
(850) 432-2451
Attorneys for Gulf Power Company

AGREEMENT FOR THE PURPOSE OF ENSURING COMPLIANCE WITH OZONE AMBIENT AIR QUALITY STANDARDS

This agreement is entered into by the Florida Department of Environmental Protection (DEP) and Gulf Power Company (GULF), for the exclusive purposes as follows: (a) ensuring that GULF's electrical generating facility located within the Pensacola, Florida Metropolitan Planning Area (PFMPA) supports the Area's compliance with the eight hour ozone ambient air quality standard and (b) authorizing related cost recovery pursuant to Section 366.8255(1)(d) of the Florida Statutes as amended by the Florida Legislature in its 2002 session and signed into law by the Governor of the State of Florida.

WHEREAS:

I. GULF owns and operates the Crist Plant electrical generating facility in Escambia County, Florida. This plant generates electricity for the consuming public through the combustion of fossil fuel. The combustion of fossil fuels produces some of the precursor compounds that contribute to the formation of ozone in the ambient air.

II. Under the authority of the Clean Air Act, the U. S. Environmental Protection Agency (EPA) promulgated regulations dealing with air quality, including ambient air quality standards designed to protect human health and welfare. One such regulation places a limit on the amount of ozone that is considered to be acceptable in the ambient air during any 8-hour period (Ozone Standard).

III. Based upon the best available information, including ambient air quality monitoring data, DEP does not expect Escambia and Santa Rosa Counties to be in compliance with the Ozone Standard in 2004/2005 unless significant reductions of emissions of ozone precursor compounds are achieved in the Pensacola, Florida Metropolitan Planning Area.

IV. In its 2002 session, the Florida legislature adopted amendments to section 366.8255(1)(d) of the Florida Statutes to provide that an electric utility may seek recovery of costs and expenses prudently incurred pursuant to a voluntary agreement with DEP or EPA, for the purpose of ensuring compliance with ozone ambient air quality standards.

V. Representatives of DEP and GULF have met and arrived at a mutual agreement in furtherance of the purposes of Section 366.8255(1)(d)7 of the Florida Statutes as amended during the 2002 Florida legislative session.

VI. DEP and GULF concur that installation of Selective Catalytic Reduction (SCR) controls at Crist Unit #7 as well as the implementation of other NOx reduction

technologies on one or more of the other three coal-fired generating units at Plant Crist will be needed as part of a community wide effort to reduce ozone precursor compounds in the Pensacola Metropolitan Planning Area. Due to structural interference and performance concerns for the new SCR, a new Unit #7 precipitator will also be constructed at a new location and the SCR will be completed one year later in the location of the old Unit #7 precipitator.

VII. It is anticipated that the implementation of this agreement will result in an approximately 61% reduction [9,188 tons] in annual NOx emissions from the GULF Crist Plant based upon 1999 baseline data.

NOW THEREFORE, in consideration of the premises and the mutual agreements contained herein, and intending to be legally bound, the DEP and GULF hereby agree as follows:

1. By May 1, 2005, GULF, after obtaining necessary permits and approvals, will install and begin and continue operating an SCR system at Crist Unit #7 whenever the Crist Unit #7 is online. The SCR system is designed to achieve no less than an 85% reduction in the quantity of nitrogen oxides as measured at the SCR unit inlet (SCR Project). The SCR Project includes the installation of a new precipitator necessary to structurally accommodate installation of the SCR. See Exhibit "A" for proposed project schedule.

2. In addition to the Crist Unit #7 SCR Project, and in order to achieve an overall plant wide Btu weighted average of 0.2 lbs/mmbtu NOx emission rate as further specified in paragraph 3 below, Gulf agrees to conduct engineering studies on the feasibility of other NOx reduction technologies on one or more of the remaining three coal-fired units at Plant Crist. Such studies and related unit specific demonstration projects may include (but are not limited to) SCR, Selective Non-Catalytic Reduction (SNCR) technology, Over-Fired Air (OFA) technology, natural gas reburn technology, selective use of biomass fuel, etc. Gulf further agrees to complete these studies by May 1, 2005. In the event GULF identifies an SCR project for Crist Unit #6 as the NOx reduction technology, GULF will implement, begin and continue operating the SCR on Crist Unit #6 as described in paragraph 3 below by December 31, 2007. In the event GULF identifies a NOx reduction technology other than SCR on Crist Unit #6, GULF will select and implement one or more NOx reduction technologies on one or more of the three other Plant Crist coal-fired units by May 1, 2006. GULF will obtain written concurrence from DEP, before implementing such NOx reduction technology or technologies, that the use thereof is reasonable and necessary to achieve the overall plantwide emission rate of 0.2 lbs/mmbtu specified in paragraph 3 below.

3. GULF will make necessary changes identified and within the timeframes set forth in paragraph 2 above, that will allow it to limit the overall 30 day average NOx emission rate at the Crist Plant to 0.2 lbs./mmbtu year-round except for periods in which Crist Unit #7 is offline. The emission rate shall be calculated pursuant to the formula set forth in Exhibit "B" to this agreement. While Crist Unit #7 is online, this 0.2 lbs./mmbtu will be achieved by utilizing the SCR system on Crist Unit #7 [discussed in paragraph 1 above] and the controls identified pursuant to paragraph 2 above. During such time as Crist Unit #7 may be offline between May 1 and September 15, GULF agrees to operate any NOx reduction technology or technologies DEP may have determined to be reasonable and necessary at other Plant Crist coal-fired units, pursuant to paragraph 2 above, unless prevented from doing so by circumstances beyond its reasonable control.

4. In addition to the NOx emission rate reduction strategies implemented pursuant to paragraphs 1 through 3 above, as a further part of this agreement to support the PFMPA's compliance with the eight hour ozone ambient air quality standard, GULF agrees to retire Crist Unit #1 within 120 days of receiving a final order from the Florida Public Service Commission as provided in paragraph 8 below. In addition, GULF further agrees to retire Crist Unit #2 and Crist Unit #3 on or before May 1, 2006.

5. In the event state or federal law changes to require a change in NOx emissions or the PFMPA is declared non-attainment for ozone, any reduction requirements would be in accordance with all applicable state and federal requirements. In addition, although Florida currently has no state statute providing for NOx trading or credits, GULF shall be entitled to retain all NOx reduction credits and trading rights that may be authorized by Florida law in the future.

6. In the event the FPSC issues a final order authorizing GULF to recover costs incurred pursuant to this agreement, by July 5, 2004, GULF will submit a Title V renewal application to the Department's Bureau of Air Regulation, 2600 Blair Stone Rd, MS 5500, Tallahassee, FL 32399 to incorporate the control technologies contained in this agreement as well as the NOx emission rate as described in paragraphs 1 through 3 above. DEP concurs that the changes envisioned by this agreement will not constitute "modifications" that trigger New Source Review.

7. DEP concurs that the steps and changes described in paragraphs 1 through 4 above are prudent for purposes of (a) ensuring that GULF's electrical generating facility located within the PFMPA supports the Area's compliance with the eight hour ozone ambient air quality standard and (b) authorizing

related cost recovery pursuant to Section 366.8255(1)(d) of the Florida Statutes as amended by the Florida Legislature in its 2002 session and signed into law by the Governor of the State of Florida.

8. This agreement is based upon the assumption that an order from the Florida Public Service Commission (FPSC) authorizing GULF to recover the costs incurred pursuant to this agreement through the Environmental Cost Recovery Clause is rendered final (final order) within 90 days of the execution of the agreement. A final order is one that is no longer subject to review or appeal by a court of competent jurisdiction. If a final order is not rendered within 90 days of the date of execution of this agreement, the parties concur that the dates and schedules herein are subject to revision solely by mutual agreement, in order to allow GULF to move forward with the activities described in paragraphs 1-4 above pending a final order by the FPSC. Gulf will exercise good faith in seeking approval of such cost recovery from the FPSC in a timely manner. DEP will support the efforts of GULF before the FPSC and in any subsequent review or appeal. If a final order is not rendered within 120 days of execution of this agreement, the entire agreement shall automatically become null and void unless extended by mutual written agreement of the parties within 30 days thereafter.

9. This agreement shall bind the parties hereto and those whom they represent and may be modified only in writing with the consent of both parties.

10. This agreement is entered into and effective on the date of the last signature of the parties below.

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

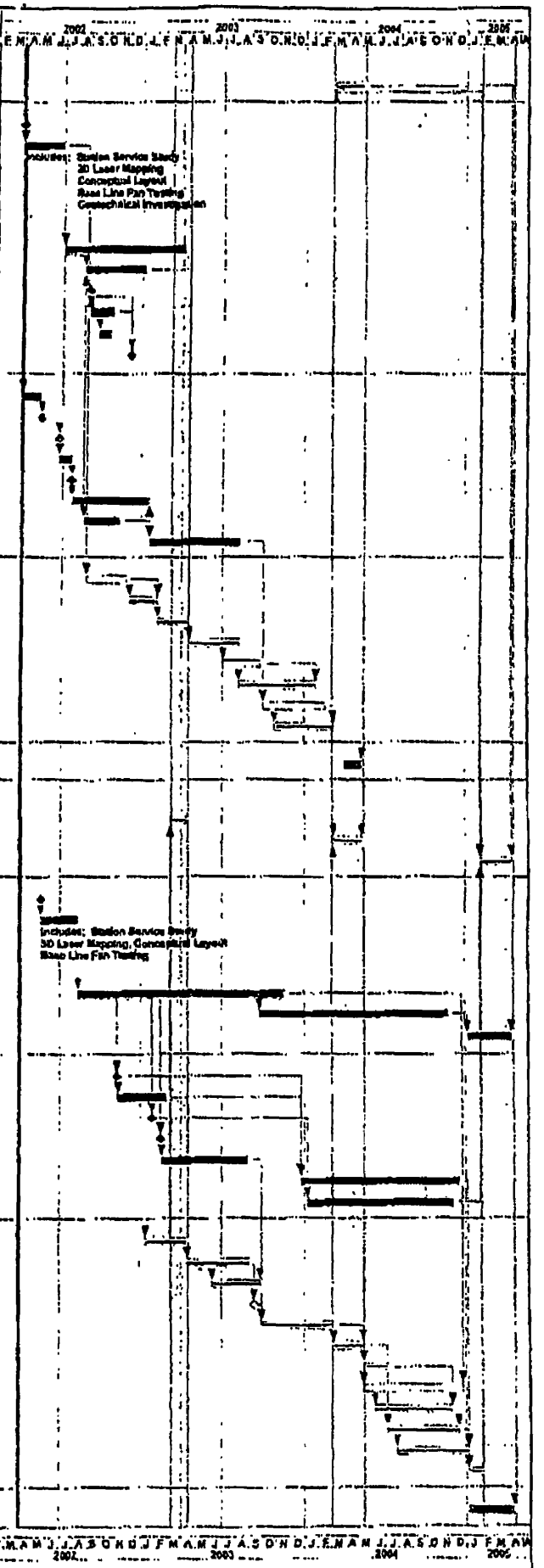
By: David B. Struhs
David B. Struhs
Secretary
Date: August 28, 2002

GULF POWER COMPANY

By: Thomas A. Fanning
Thomas A. Fanning
President and Chief Executive Officer
Date: August 28, 2002

EXHIBIT "A"

Activity ID	Activity Description	Orig Dur	Early Start	Early Finish	Total Float
PRECIPITATOR					
TIE-IN OUTAGE					
CST110	Precipitator Tie-In	55	08MAR04	09MAY04	0
ENGINEERING					
ENG001	Project Start	0	01APR02*		0
ENG100	Preliminary Engineering	65	01APR02	28JUN02	3
ENG105	Detail Engineering/Design and Support- Precip	204	01JUL02	03APR03	10
ENG115	SCS Design Ductwork and Supports	100	29AUG02	04JAN03	78
ENG116	Receive Foundation Info From Precip Vendor	0	02SEP02		0
ENG170	SCS Design Pile and Foundations	40	02SEP02	25OCT02	0
ENG180	SCS Prepare Pile Erection Spec	20	23SEP02	18OCT02	0
ENG190	Award Pile Erection	0	08OCT02		0
PROCUREMENT					
PRO140	Prep Spec for Precipitator Design and Supply	30	01APR02	10MAY02	0
PRO190	Issue Precipitator Inquiry for Bids	0		13MAY02	0
PRO200	Receive Precipitator Bids	0		24JUN02	0
PRO210	Evaluate Precipitator Bids	20	25JUN02	22JUL02	0
PRO170	Award Precipitator Design and Supply	0		22JUL02	0
PRO115	Vendor Design Precipitator	130	23JUL02	17JAN03	0
PRO155	Flow Modeling - Precipitator	60	20AUG02	11NOV02	19
PRO160	Precipitator - Fabricate and Deliver	150	18JAN03	08AUG03	55
CONSTRUCTION					
CST104	Relocations	60	28AUG02	25NOV02	0
CST106	Install Piles	30	06DEC02	06FEB03	0
CST120	Install Pile Caps	30	07FEB03	18APR03	0
CST130	Erect Precip and Ductwork Supt Steel	80	17APR03	08AUG03	5
CST140	Erect Ductwork	60	03JUL03	24SEP03	40
CST154	Erect Precipitator Box	125	07AUG03	28JAN04	0
CST170	Erect Precipitator Mechanical Equipment	105	02OCT03	17FEB04	17
CST180	Erect Precipitator Electrical Equipment	105	27OCT03	05MAR04	0
STARTUP					
SU100	Checkout and Start-up	40	31MAR04	09MAY04	0
SELECTIVE CATALYTIC REDUCTION					
TIE-IN OUTAGE					
CST113	SCR Relocations Outage	35	08MAR05*	11APR05	0
CST101	Building Relocation Outage	85	08MAR04	09MAY04	0
CST103	SCR Tie-In Outage	70	03FEB05	13APR05	0
ENGINEERING					
ENG000	Project Start	0	20MAY02*		0
ENG107	Preliminary Engineering	60	20MAY02	09AUG02	0
ENG100	Detail Engineering/Design	340	12AUG02	20NOV03	0
ENG110	Construction Support	320	24SEP03	25NOV04	85
ENG120	Startup Support	150	04JAN05	13APR05	40
PROCUREMENT					
PRO140	Award Catalyst	0		08NOV02	13
PRO150	Flow Modeling	85	11NOV02	28FEB03	226
PRO130	Award ID Fans and Motors	0		28JAN03	44
PRO100	Award Structural Steel	0		14FEB03	21
PRO105	Fabricate and Deliver Structural Steel	140	17FEB03	28AUG03	21
PRO145	Fabricate and Deliver Catalyst	270	20OCT03	16DEC04	13
PRO135	Fabricate and Deliver ID Fans and Motors	250	09JAN04	02DEC04	41
CONSTRUCTION					
CST100	Relocations	70	13JAN03	11APR03	0
CST105	Install Piles	100	14APR03	28AUG03	0
CST125	Install Pile Caps	80	05JUN03	26SEP03	0
CST110	Award General Contractor	0		12SEP03	10
CST115	Erect Structural Steel	125	26SEP03	05MAR04	0
CST130	Structure Refitting Modifications	50	07MAR04	10MAY04	0
CST135	Erect Steel to Reactor Level	40	11MAY04	05JUL04	0
CST140	Erect Remaining Steel	154	11MAY04	24DEC04	7
CST145	Erect Reactor Box	125	03JUN04	28NOV04	0
CST150	Install Mechanical Systems	115	08JUL04	13DEC04	0
CST155	Install Electrical Systems	115	28JUL04	04JAN05	0
CST160	Load Catalyst	21	05JAN05	02FEB05	0
STARTUP					
SU0105	Checkout and Start Up	100	04JAN05	13APR05	0



Start Date	01APR02	C7PS
Finish Date	13APR05	
Data Date	01APR02	
Run Date	11APR02 07:31	

SOUTHERN COMPANY GENERATION

CRIST UNIT 7 SCR / PRECIPITATOR

Sheet 1 of 1

Date	Revision	Checked	Approved
28MAR02	Review and Comment		
28MAR02	Include Total Project for Review		

AGREEMENT FOR THE PURPOSE OF ENSURING COMPLIANCE WITH OZONE AMBIENT AIR QUALITY STANDARDS

Exhibit "B"

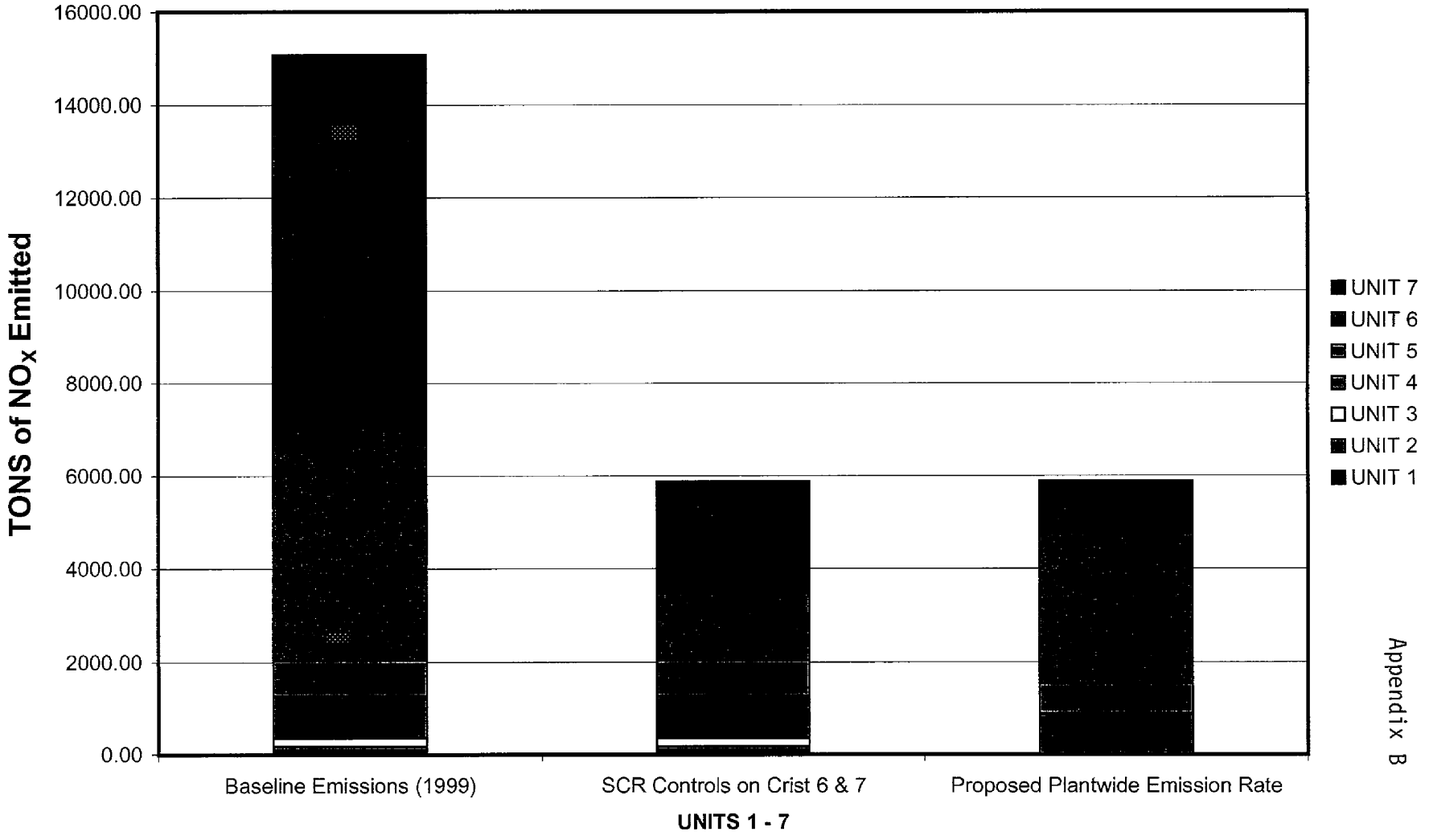
Gulf will measure its compliance with the emission rate limit set forth in paragraph 3 of this agreement by determining the Plant Crist NOx emission rate, when Crist Unit #7 has operated for 30 sequential days (which need not be consecutive) on a generating unit-specific btu weighted average basis pursuant to the following formula:

$$\text{plant wide daily mmbtu weighted NOx rate} = \frac{\sum_{\substack{\text{Units}\\4,5,6,7}} \left[\left(\text{Unit \# daily mmbtu}\right) \text{ X } \left(\text{24 hour avg unit \# NOx CEMs rate}\right)\right]}{\sum_{\substack{\text{Units}\\4,5,6,7}} \left(\text{Unit \# daily mmbtu}\right)}$$

For the purposes of this calculation, a Crist Unit #7 operating day means any calendar day that Crist Unit #7 is online a minimum of 18 hours.

Unit # daily mmbtu (heat input) in the foregoing formula is determined by Plant Crist's daily as-burned fuel analysis

Comparison of Crist Plant Emission Reduction Alternatives



Appendix B

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of FDEP/Gulf Power agreement pursuant to Section 366.8255(1)(d)7 of the Florida Statutes for purposes of cost recovery of the related expenditures and expenses through the Environmental Cost Recovery Clause.	)	Docket No. 02____-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 29th day of August 2002 by U.S. Mail or hand delivery to the following:

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Staff Counsel
FL Public Service Commission
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Tallahassee FL 32399-0863

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Miami FL 33131-2398

John Roger Howe, Esquire
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c/o The Florida Legislature
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Attorneys for Gulf Power Company