



Florida Municipal Power Agency

Amy Deese
Environmental Specialist

February 28, 2011

Jonathan Holtom
Title V Section Administrator
Bureau of Air Regulation
Florida Department of Environmental Protection
2600 Blair Stone Road, MS 5505
Tallahassee, FL 32399-2400

RECEIVED
MAR 01 2011
BUREAU OF
AIR REGULATION

Re: Stock Island Power Plant - Title V Permit No. 0870003-011-AV

Dear Mr. Holtom:

Effective January 1, 2011, FMPA and the Utility Board of the City of Key West, Florida, doing business as Keys Energy Services ("Keys Energy"), entered into a new contractual arrangement regarding ownership and operation of the Stock Island Generating Facility. FMPA owns three combustion turbine units, and their ancillary equipment, at the site and Keys Energy owns the remainder of the generating facilities. Under the new contract, FMPA has assumed all ownership responsibility, risk, and cost for all of the generating facilities, both FMPA's and Keys Energy's, in exchange for having full management and operational control over the generating facilities. As a part of this new arrangement, FMPA will pay Keys Energy a fixed annual payment for 10 years. When the final annual payment is made, Keys Energy will transfer title to all of its generating facilities at the site to FMPA. In the meantime, FMPA has the right to exercise ownership management and control over the generating facilities at Stock Island as a part of FMPA's larger portfolio of generation resources. While Keys Energy has been, and under the new arrangement will continue to be, the operator of all the generating facilities at Stock Island, the new contractual arrangement requires Keys Energy to transfer regulatory permit responsibility to FMPA as a part of transferring control of the Stock Island generating facilities to FMPA. Thus, while FMPA does not at this time have legal title to Key Energy's Stock Island generating facilities, FMPA does have ownership control and responsibility for those generating facilities.

The recent Notification of Sale or Legal Transfer and associated forms were submitted by FMPA as a result of the above change in ownership control and responsibility. FMPA has subsequently received the Department's Notice of Final Administrative Permit, reflecting the change, which is now attached to the Stock Island Title V Air Operation Permit. Please keep this letter, providing a detailed explanation as to facility ownership, with the Department's file for the above referenced permit.

Please contact me at 321-239-1004 or amy.deese@fmpa.com if you have any questions or require additional information.

Sincerely,

Amy Deese
Environmental Compliance Specialist

cc: Ajaya Satyal, FDEP South District
David McNeal, EPA Region 4
Edward Garcia, Keys Energy Services