

Gulf Power Company
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Pensacola FL 32520-0770
Telephone 904 444-6365

ORIGINAL
FILE COPY

Jack L. Haskins
Manager of Rates and Regulatory Matters
and Assistant Secretary

the southern electric system

January 13, 1995

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee FL 32399-0870

Dear Ms. Bayo:

Enclosed for official filing in Docket No. 950007-EI are an original and fifteen copies of the following:

- 00628-95
1. Petition of Gulf Power Company for Approval of Final Environmental Cost Recovery True-up Amounts for April 1994 through September 1994; Estimated Environmental Cost Recovery True-up Amounts for October 1994 through March 1995; Projected Environmental Cost Recovery Amounts for April 1995 through September 1995; and Environmental Cost Recovery Factors to be Applied Beginning with the Period April 1995 through September 1995.
- 00629-95
2. Prepared direct testimony and exhibit of J. O. Vick.
- 00630-95
4. Prepared direct testimony and exhibit of S. D. Cranmer.

Also enclosed is a 3.5 inch double sided, double density diskette containing the Petition in WordPerfect for Windows 6.0a format as prepared on a MS-DOS based computer.

Sincerely,

Jack L. Haskins
lw

Enclosures

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

ACK
AFA
APP _____
CAF _____
CTR _____
EAG *Bess - 4*
LEG *Brewer*
LIM *orig text x 4*
OPS _____
RCH _____
SEC *!* _____
WAS _____
OTH _____

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery)
Clause)
_____)

Docket No. 950007-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 13th day of January 1995 by U.S. Mail or hand delivery to the following:

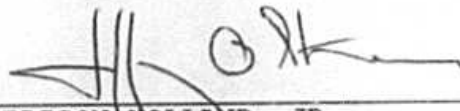
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

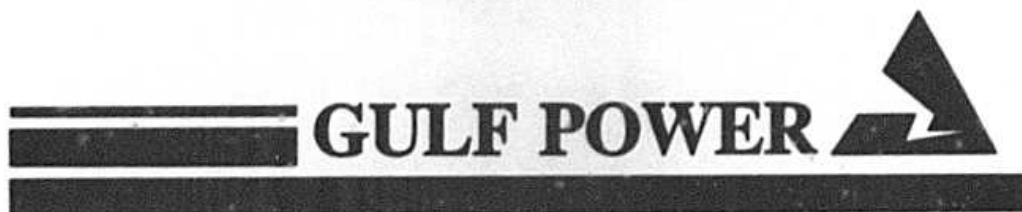
DOCKET NO. 950007-EI

PREPARED DIRECT TESTIMONY
AND EXHIBIT OF
J. O. VICK

PROJECTED ENVIRONMENTAL COST
RECOVERY CLAUSE

APRIL 1995 - SEPTEMBER 1995

JANUARY 17, 1995



DOCUMENT NUMBER-DATE

00629 JAN 17 88

FPSC-RECORDS/REPORTING

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GULF POWER COMPANY

Before the Florida Public Service Commission
Prepared Direct Testimony of
James O. Vick
Docket No. 950007-EI
Date of Filing January 17, 1995

Q. Please state your name and business address.

A. My name is James O. Vick and my business address is 500 Bayfront
Parkway, Pensacola, Florida, 32501-0328.

Q. By whom are you employed and in what capacity?

A. I am employed by Gulf Power Company as the Supervisor of Environmental
Affairs.

Q. Mr. Vick, will you please describe your education and experience?

A. I graduated from Florida State University, Tallahassee, Florida, in 1975 with a
Bachelor of Science Degree in Marine Biology. I also hold a Bachelor's
Degree in Civil Engineering from the University of South Florida in Tampa,
Florida. In addition, I have a Masters of Science Degree in Management
from Troy State University, Pensacola, Florida. I joined Gulf Power Company
in August 1978 as an Associate Engineer. I have since held various
engineering positions such as Air Quality Engineer and Senior Environmental
Licensing Engineer. In 1989, I assumed my present position as Supervisor of
Environmental Affairs.

1 Q. What are your responsibilities with Gulf Power Company?

2 A. As Supervisor of Environmental Affairs, my primary responsibility is
3 overseeing the activities of the Environmental Affairs section to ensure the
4 Company is, and remains, in compliance with environmental laws and
5 regulations, i.e., both existing laws and such laws and regulations that may
6 be enacted or amended in the future. In performing this function, I have the
7 responsibility for numerous environmental programs and projects.

8
9 Q. Are you the same James O. Vick who has previously testified before this
10 Commission on various environmental matters?

11 A. Yes.

12
13 Q. Have you prepared an exhibit that contains information to which you will refer
14 in your testimony?

15 A. Yes. I have prepared an exhibit containing one schedule.

16
17 COUNSEL: We ask that Mr. Vick's exhibit, consisting of five schedules, be marked
18 as Exhibit No. _____ (JOV-1).

19
20 Q. What is the purpose of your testimony in this proceeding?

21 A. The purpose of my testimony is to support Gulf Power Company's projection
22 of environmental compliance amounts recoverable through the
23 Environmental Cost Recovery (ECR) clause for the period April 1995,
24 through September 1995. I will discuss the amounts included in the
25 projection period for those compliance activities previously approved by the

1 Commission. I will also describe other environmental compliance activities
2 undertaken by the Company for which Gulf seeks cost recovery through the
3 ECR.

4
5 Q. Mr. Vick, please describe the contents of Schedule 1 of your exhibit.

6 A. Schedule 1 provides a listing of the environmental capital projects which have
7 been included in Gulf's ECR calculations. The capital projects shown in
8 Schedule 1 are listed according to the Company's Plant Expenditure (PE)
9 reference number. Schedule 1 reflects the expenditures and clearings
10 currently projected for these projects. All the projects listed on Schedule 1 of
11 my exhibit have been previously approved in past proceedings for recovery
12 through the ECR clause as capital projects. These past proceedings have
13 been held in Docket No. 930613-EI and Docket No. 940042-EI.

14
15 Q. Have you tabulated the investment amounts for the capital projects identified
16 for recovery through this filing?

17 A. Yes, these amounts are set forth by capital project on Schedule 1 of my
18 exhibit. The amounts on Schedule 1 were provided to Ms. Cranmer, who has
19 calculated the associated revenue requirements for our requested recovery.

20
21 Q. Please compare the Operation and Maintenance (O&M) programs and
22 projects listed on your Schedule 2 to the O&M projects and programs
23 approved for cost recovery in Docket 940042-EI.

24 A. With the exception of two new items, Title V Permitting (Line Item 4), and
25 Daniel Groundwater Monitoring (included in Line Item 6), all the O&M

1 projects and programs listed on Schedule 2 of my exhibit reflect O&M
2 projects and programs which were previously approved for recovery through
3 the ECR in past proceedings. These O&M projects and programs are all on-
4 going compliance activities and are grouped into four major categories--Air
5 Quality, Water Quality, Environmental Programs Administration, and Solid
6 and Hazardous Waste. I will discuss each O&M program and project within
7 each of these major categories and the projected expenses later in my
8 testimony.

9
10 Q. What O&M projects and programs are included in the Air Quality category?

11 A. There are six O&M projects/programs included in this category. The first,
12 Sulfur (Line Item 1), reflects an ongoing operational expense associated with
13 the burning of low sulfur coal. This item refers to the flue gas sulfur injection
14 system needed to improve the collection efficiency of the Crist Unit 7
15 electrostatic precipitator and is required due to the burning of low sulfur coal
16 at this unit pursuant to the sulfur dioxide requirements of the CAAA. The
17 expenses projected for the recovery period total \$24,000.

18 The second project/program listed on Schedule 2 of my exhibit, Air
19 Emission Fees (Line Item 2), represents the costs projected for the annual
20 fees required by the CAAA. The expenses projected for the recovery period
21 total \$123,500.

22 The third project/program on Schedule 2 of my exhibit is one of the
23 new items I referred to earlier, Title V Permits. This item reflects projected
24 expenses associated with the preparation of Title V permit applications and
25 the subsequent implementation of the Title V permits. Title V of the federal

1 Clean Air Act Amendments of 1990 requires states to create federally
2 enforceable air operation permit programs. A copy of the State's Title V
3 program is attached as Schedule 4 of my exhibit. Under this new program,
4 each major source of air pollution is required to obtain an air operation permit
5 that addresses all federally enforceable requirements applicable to that
6 particular source. The applications for these permits are due to the Florida
7 Department of Environmental Protection by November, 1995. Preparation of
8 the Title V applications for each affected facility is expected to involve
9 approximately 3,000 man-hours for preparation. The expenses for which
10 Gulf is seeking recovery during the projection period are the labor and
11 materials necessary to complete these extensive applications. The total
12 estimated expense for permit applications during the recovery period is
13 \$47,916.

14 The fourth project/program listed on Schedule 2 of my exhibit,
15 Asbestos Fees (Line Item 4), reflects expenses associated with a new
16 requirement that became effective in 1994. The fees were approved by the
17 Commission in Docket No. 940042-EI. These notification fees are required to
18 be paid to the Florida Department of Environmental Protection for the
19 purpose of funding the State's asbestos removal program. The expenses
20 projected for the next recovery period total \$4,494.

21 The fifth project/program listed on Schedule 2 of my exhibit, Emission
22 Monitoring (Line Item 6), reflects an ongoing operation and maintenance
23 expense associated with the new Continuous Emission Monitoring Equipment
24 (CEM) as required by the CAAA. These expenses are incurred in response
25 to the federal Environmental Protection Agency's (EPA) requirements that the

1 Company perform quality assurance/quality control (QA/QC) testing for the
2 CEMs, including Relative Accuracy Test Audits (RATA) and Linearity Tests.
3 The RATA and Linearity Test expenses were previously approved under the
4 heading Particulate Emission Testing in Docket No. 930613-EI. The
5 Company now classifies these expenses as Emission Monitoring costs. Both
6 RATA and Linearity Tests are QA/QC requirements of the CAAA for the
7 CEMs and, as such, are more appropriately included in the Emission
8 Monitoring program. The expenses projected to occur during the recovery
9 period for these activities total \$136,452.
10

11 Q. What O&M projects/programs are included in Water Quality?

12 A. General Water Quality (Line Item 7), identified in Schedule 2 of my exhibit,
13 includes Soil Contamination Studies, Dechlorination, Groundwater Monitoring
14 Plan Revisions, Surface Water Studies, and a new item I referred to earlier,
15 Daniel Groundwater Monitoring. These activities, excluding the Daniel
16 Groundwater Monitoring Program, were undertaken pursuant to the renewal
17 of the Company's Industrial Waste Water (IWW) permit and Chapter 17.750
18 F.A.C. These activities were all approved for environmental cost recovery in
19 Docket No. 930613-EI. The projected expenses associated with the Daniel
20 Groundwater Monitoring Program are in response to closure of the Plant
21 Daniel Ash Pond. The capital expenditures associated with this project were
22 approved in Docket No. 930613-EI. The capital expenditures were for the
23 construction of a new dry fly ash collection system and landfill and the
24 closure of the ash pond. The Mississippi Department of Environmental
25 Quality required Mississippi Power to monitor the groundwater around the

1 ash pond for a period of five years. (See Schedule 5.) The expenses
2 projected for the post-closure groundwater monitoring beginning January
3 1994 total \$10,500. The expenses projected for all activities in General
4 Water Quality total \$630,408 during the six-month recovery period.

5 The second activity listed in the Water Quality Category, Groundwater
6 Contamination Investigation (Line Item 8), was previously approved for
7 environmental cost recovery in Docket No. 930613-EI. This activity is
8 projected to incur incremental expenses totaling \$358,632 during the
9 recovery period.

10
11 Q. What projects/programs are included in the Environmental Affairs
12 Administration Category?

13 A. Only one O&M program is included in this category on Schedule 2 of my
14 exhibit. This item, Environmental Auditing/Assessment (Line Item 9), was
15 previously approved for cost recovery in Docket No. 930613-EI. The
16 Environmental Auditing/Assessment program is administered by Gulf to
17 ensure that our operations remain in compliance with all existing laws, rules,
18 and regulations, an effort which is of increasing importance as illustrated by
19 the Federal Sentencing Guidelines. This program is an on-going compliance
20 activity which is projected to incur expenses totaling \$74,487 during the
21 recovery period.

22
23
24
25

1 Q. What O&M projects/programs are included in the Solid and Hazardous Waste
2 category?

3 A. Only one program, General Solid and Hazardous Waste (Line Item 10), is
4 included in the Solid and Hazardous Waste category on Schedule 2 of my
5 exhibit. This activity involves the proper identification, handling, storage,
6 transportation and disposal of solid and hazardous wastes as required by
7 Federal and State regulations. This activity was previously approved for
8 environmental cost recovery in Docket No. 930613-EI. This program is an
9 on-going compliance activity which is projected to incur incremental
10 expenses totaling \$57,420 during the recovery period.

11

12 Q. How did you derive the projected O&M expenses the Company identified in
13 your exhibits for consideration in the Environmental Cost Recovery Clause?

14 A. We have based this information on the projected 1995 environmental
15 expenses for the time frame of April 1995 to September 1995. O&M
16 expenses resulting from environmental compliance activities projected to
17 occur from April 1, 1995, through the end of the recovery period on
18 September 30, 1995, are listed on Schedule 2. These O&M expenses are
19 summarized by FERC account on Schedule 3. This information was
20 provided to Ms. Cranmer for her to include in the calculation of the amount
21 requested.

22

23 Q. Does this conclude your testimony?

24 A. Yes

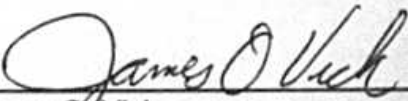
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AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 950007-EI

Before me the undersigned authority, personally appeared James O. Vick, who being first duly sworn, deposes, and says that he is the Supervisor of Environmental Affairs of Gulf Power Company, a Maine corporation, and that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.



James O. Vick
Supervisor of Environmental Affairs

Sworn to and subscribed before me this 13th day of January, 1995.



Notary Public, State of Florida

Commission Number:

Commission Expires:



Docket No. 950007-EI
James O. Vick Exhibit No. _____(JOV-2)
Projected Environmental Cost Recovery Clause
Index of Schedules

- | | |
|------------|---|
| Schedule 1 | Environmental Cost Recovery Investment Expenditures |
| Schedule 2 | Environmental Cost Recovery Clause Operation and Maintenance Expenses Projected Projects or Programs |
| Schedule 3 | Environmental Cost Recovery Clause Operation and Maintenance Expenses by FERC |
| Schedule 4 | Florida's Title V Program |
| Schedule 5 | State of Mississippi Approval of Closure/Post-Closure Plan of the Fly Ash Pond for Mississippi Power Company's Plant Daniel |

Gulf Power Company
 Environmental Cost Recovery Investment
 Expenditures
 October 1994 - September 1995
 (000's)

Line No.	PE No.	Description	Actual												Projected												Project-	
			Actual Thru 9/94	Actual Oct 94	Actual Nov 94	Actual Dec 94	Jan 95	Feb 95	March 95	April 95	May 95	June 95	July 95	Aug 95	Sept 95	Thru 9/95	Law	Resolution										
AIR QUALITY																												
1	1006	Air Quality Assurance Testing	239	0	0	0	0	0	0	0	0	0	0	0	0	0	0	239	CAAA									
2	11198138	Crit 5 Precipitator Upgrade	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	400	CAAA								
3	1216	Crit 7 Precipitator Upgrade	10,964	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,964	CAAA									
4	1228	Crit 7 Flue Gas Conditioning	2,179	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,179	CAAA									
5	1236	Crit 7 Low NOx Burners	8,175	349	0	0	0	0	0	0	0	0	0	0	0	0	0	8,608	CAAA									
6	1240	Crit 7 CEMs	624	0	0	0	0	0	0	0	0	0	0	0	0	0	0	624	CAAA									
7	1242	Crit 6 Low NOx Burners	7,368	73	242	0	0	0	0	0	0	0	0	0	0	0	0	7,703	CAAA									
8	1243	Crit 6 Precipitator Replacement	12,661	238	441	1,305	0	0	0	0	0	0	0	0	0	0	0	14,703	CAAA									
9	1245	Crit 6 CEMs	597	0	0	0	0	0	0	0	0	0	0	0	0	0	0	597	CAAA									
10	1269/0216	Crit 1 CEMs	225	0	74	1	0	0	0	0	0	0	0	0	0	0	0	300	CAAA									
11	1269/0219	Crit 4 CEMs	433	5	25	28	0	0	0	0	0	0	0	0	0	0	0	492	CAAA									
12	1290/0220	Crit 5 CEMs	207	0	9	59	0	0	0	0	0	0	0	0	0	0	0	275	CAAA									
13	1323	Scholtz 1 CEMs	666	0	0	40	0	0	0	0	0	0	0	0	0	0	0	908	CAAA									
14	1459	Smith 1 CEMs	781	(21)	0	79	0	0	0	0	0	0	0	0	0	0	0	839	CAAA									
15	1469	Smith 2 CEMs	402	21	0	0	0	0	0	0	0	0	0	0	0	0	0	423	CAAA									
16	1558	Daniel CEMs	523	10	50	0	0	0	0	0	0	0	0	0	0	0	0	573	CAAA									
17		Subtotal Air Quality	48,264	823	819	1,572	0	0	0	0	0	0	0	0	0	0	0	49,863										
WATER QUALITY																												
18	1232	Crit Cooling Tower Cell	907	0	0	0	0	0	0	0	0	0	0	0	0	0	0	907	NPOES/RWW									
19	1248	Crit 1-5 Decolouration	141	25	98	42	0	0	0	0	0	0	0	0	0	0	0	306	RWW									
20	1270	Crit Diesel Fuel Oil Remediation	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	46	17 FAC									
21	1271	Crit Bulk Tanker Unload Sec Contain Struc	0	0	0	214	0	0	0	0	0	0	0	0	0	0	0	214	17 FAC									
22	1275	Crit R/W Sampling System	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	5	RWW									
23	1448	Smith Stormwater Collection System	809	3	468	987	0	0	0	0	0	0	0	0	0	0	0	2,797	NPOES									
24	1466	Smith Waste Water Treatment Facility	149	(5)	36	0	0	0	0	0	0	0	0	0	0	0	0	170	CWA/17 FAC									
25	4397	Underground Fuel Tank Replacement	262	(2)	2	25	18	18	11	11	11	11	11	11	11	11	7	282	17 FAC									
26		Subtotal Water Quality	2,378	78	614	1,273	18	18	211	11	11	11	11	11	11	11	52	4,604										
SOLID AND HAZARDOUS WASTE																												
27	1535	Daniel Ash Management Project	12,708	73	129	0	0	0	0	0	0	0	0	0	0	0	0	0	12,910	PCS - 1								
28		Subtotal Solid and Hazardous Waste	12,708	73	129	0	0	0	0	0	0	0	0	0	0	0	0	0	12,910									
29		TOTAL EXPENDITURES	91,348	822	1,669	2,845	18	18	311	11	11	11	11	11	11	11	52	87,629										

Gulf Power Company
 Environmental Cost Recovery Investment
 Clearings to Plant-in-Service
 October 1994 - September 1995
 (000's)

Line No.	FE No.	Description	Actual Project- To-Date Thru 9/95	Actual Oct 94	Actual Nov 94	Actual Dec 94	Projected												Project- To-Date Thru 9/95
							Jan 95	Feb 95	March 95	April 95	May 95	June 95	July 95	Aug 95	Sept 95				
AIR QUALITY																			
1	1008	Air Quality Assurance Testing	239	0	0	0	0	0	0	0	0	0	0	0	0	0	239		
2	11196136	Crit 5 Precipitator Upgrade	0	0	0	0	0	0	0	0	0	0	0	0	0	400	400		
3	1216	Crit 7 Precipitator Upgrade	10,964	0	0	0	0	0	0	0	0	0	0	0	0	0	10,964		
4	1228	Crit 7 Flue Gas Conditioning	2,179	0	0	0	0	0	0	0	0	0	0	0	0	0	2,179		
5	1236	Crit 7 Low NOx Burners	8,175	349	64	0	0	0	0	0	0	0	0	0	0	0	8,609		
6	1240	Crit 7 CEMs	624	0	0	0	0	0	0	0	0	0	0	0	0	0	624		
7	1242	Crit 6 Low NOx Burners	0	0	0	7,703	0	0	0	0	0	0	0	0	0	0	7,703		
8	1243	Crit 6 Precipitator Replacement	125	0	5	14,573	0	0	0	0	0	0	0	0	0	0	14,703		
9	1245	Crit 6 CEMs	597	0	0	0	0	0	0	0	0	0	0	0	0	0	597		
10	12656216	Crit 1 CEMs	0	0	299	1	0	0	0	0	0	0	0	0	0	0	300		
11	12096219	Crit 4 CEMs	234	0	10	248	0	0	0	0	0	0	0	0	0	0	492		
12	12006220	Crit 5 CEMs	207	0	9	59	0	0	0	0	0	0	0	0	0	0	275		
13	1323	Scholz 1 CEMs	732	134	0	40	0	0	0	0	0	0	0	0	0	0	905		
14	1459	Smith 1 CEMs	781	(21)	0	79	0	0	0	0	0	0	0	0	0	0	839		
15	1460	Smith 2 CEMs	402	21	0	0	0	0	0	0	0	0	0	0	0	0	423		
16	1958	Daniel CEMs	0	0	0	573	0	0	0	0	0	0	0	0	0	0	573		
17		Subtotal Air Quality	25,259	483	407	23,276	0	0	0	0	0	0	0	0	0	400	49,825		
WATER QUALITY																			
18	1232	Crit Cooling Tower Cell	907	0	0	0	0	0	0	0	0	0	0	0	0	0	907		
19	1248	Crit 1-5 Dechlorination	0	0	0	306	0	0	0	0	0	0	0	0	0	0	306		
20	1270	Crit Diesel Fuel Oil Remediation	48	0	0	0	0	0	0	0	0	0	0	0	0	0	48		
21	1271	Crit Bulk Tanker Unleaded Sec Contain Struc	0	0	0	214	0	0	0	0	0	0	0	0	0	0	214		
22	1275	Crit HWW Sampling System	0	60	0	5	0	0	0	0	0	0	0	0	0	0	65		
23	1448	Smith Stormwater Collection System	0	0	0	2,347	0	0	0	0	0	0	0	0	0	0	2,347		
24	1466	Smith Waste Water Treatment Facility	149	(5)	26	0	0	0	0	0	0	0	0	0	0	0	170		
25	4397	Underground Fuel Tank Replacement	136	(3)	125	24	16	11	11	11	11	11	11	11	11	7	387		
26		Subtotal Water Quality	1,240	52	151	2,896	16	16	11	11	11	11	11	11	11	7	4,544		
SOLID AND HAZARDOUS WASTE																			
27	1535	Daniel Ash Management Project	4,861	1	0	8,048	0	0	0	0	0	0	0	0	0	0	12,910		
28		Subtotal Solid and Hazardous Waste	4,861	1	0	8,048	0	0	0	0	0	0	0	0	0	0	12,910		
29		TOTAL CLEARINGS	31,360	536	558	34,220	16	16	11	11	11	11	11	11	11	7	67,179		

Florida Public Service Commission
Docket No. 950007-EI
GULF POWER COMPANY
Witness: James O. Vick
Exhibit No. ____ (JOV-2)
Schedule 2

GULF POWER COMPANY
ENVIRONMENTAL COST RECOVERY CLAUSE
OPERATION AND MAINTENANCE EXPENSES
PROJECTED PROJECTS OR PROGRAMS

DESCRIPTION	APR 1995	MAY 1995	JUN 1995	JUL 1995	AUG 1995	SEP 1995	6 MO TOTAL RECOVERY	ASSOCIATED REGULATION
AIR QUALITY								
1 Sulfur/Axessite	4,000	4,000	4,000	4,000	4,000	4,000	24,000	CAA
2 Air Emission Fees	0	0	0	0	123,500	0	123,500	CAA
3 Title V	7,986	7,986	7,986	7,986	7,986	7,986	47,916	CAA
4 Asbestos Fees	749	749	749	749	749	749	4,494	17-257 F.A.C.
5 Emission Monitoring	22,742	22,742	22,742	22,742	22,742	22,742	136,452	CAAWAOP
TOTAL AIR QUALITY	35,477	35,477	35,477	35,477	158,977	35,477	336,362	
WATER QUALITY								
6 Ground Water Quality	105,068	105,068	105,068	105,068	105,068	105,068	630,408	17 F.A.C.
7 Groundwater Contamination Investigations	59,772	59,772	59,772	59,772	59,772	59,772	358,632	17 F.A.C.
TOTAL WATER QUALITY	164,840	164,840	164,840	164,840	164,840	164,840	989,040	
ENVIRONMENTAL PROGRAMS ADMINISTRATION								
8 Environmental Auditing/Assessment	12,298	12,531	12,298	12,531	12,531	12,298	74,487	SEC
TOTAL ENVIRONMENTAL PROGRAMS ADMIN	12,298	12,531	12,298	12,531	12,531	12,298	74,487	
SOLID AND HAZARDOUS WASTE								
9 General Solid and Hazardous Waste	9,570	9,570	9,570	9,570	9,570	9,570	57,420	RCRA/TSCA/17 F.A.C.
TOTAL SOLID AND HAZARDOUS WASTE	9,570	9,570	9,570	9,570	9,570	9,570	57,420	
TOTAL ENVIRONMENTAL RECOVERY CLAUSE EXPENSES	222,185	222,418	222,185	222,418	345,918	222,185	1,457,309	

Florida Public Service Commission
Docket No. 950007-EI
GULF POWER COMPANY
Witness: James O. Vick
Exhibit No. ____ (JOV-2)
Schedule 3

**GULF POWER COMPANY
ENVIRONMENTAL COST RECOVERY CLAUSE
OPERATION AND MAINTENANCE EXPENSES BY FERC**

	FERC ACCOUNT	APR 1995	MAY 1995	JUN 1995	JUL 1995	AUG 1995	SEP 1995	6 MO RECOVERY TOTAL
1	502	2,000	2,000	2,000	2,000	2,000	2,000	12,000
2	506	134,766	134,766	134,766	134,766	258,266	134,766	932,096
3	512	2,000	2,000	2,000	2,000	2,000	2,000	12,000
4	514	13,284	13,284	13,284	13,284	13,284	13,284	79,704
5	562	(34,003)	(34,003)	(34,003)	(34,003)	(34,003)	(34,003)	(204,018)
6	569	9,065	9,065	9,065	9,065	9,065	9,065	54,390
7	591	81,585	81,585	81,585	81,585	81,585	81,585	489,510
8	595	1,250	1,250	1,250	1,250	1,250	1,250	7,500
9	920	7,012	7,245	7,012	7,245	7,245	7,012	42,771
10	921	2,018	2,018	2,018	2,018	2,018	2,018	12,108
11	923	83	83	83	83	83	83	498
12	935	3,125	3,125	3,125	3,125	3,125	3,125	18,750
	TOTAL	222,185	222,418	222,185	222,418	345,918	222,185	1,457,309

chargers do not bear an inordinate share of costs of the program

b. The annual fees for industrial waste facilities shall not exceed \$11,500. The department shall establish a sliding scale of fees based upon the volume, concentration, or nature of the industrial waste discharge and shall ensure smaller industrial waste dischargers do not bear an inordinate share of costs of the program.

c. The department may establish a fee, not to exceed the amounts in subparagraphs 4. and 5., to cover additional costs of review required for permit modification or construction engineering plans.

(b) If substantially similar air pollution sources are to be constructed or modified at the same facility, the applicant may submit a single application and permit fee for construction or modification of the sources at that facility. If substantially similar air pollution sources located at the same facility do not constitute a major source of air pollution subject to permitting under s. 403.0872, the applicant may submit a single application and permit fee for the operation of those sources. The department may develop, by rule, criteria for determining what constitutes substantially similar sources.

(c) The fee schedule shall be adopted by rule. The amount of each fee shall be reasonably related to the costs of permitting, field services, and related support activities for the particular permitting activity taking into consideration consistently applied standard cost-accounting principles and economies of scale. If the department requires, by rule or by permit condition, that a permit be renewed more frequently than once every 5 years, the permit fee shall be prorated based upon the permit fee schedule in effect at the time of permit renewal.

(d) Nothing in this subsection authorizes the construction or expansion of any stationary installation except to the extent specifically authorized by department permit or rule.

(e) For all domestic waste collection system permits and drinking water distribution system permits, the department shall adopt a fee schedule, by rule, based on a sliding scale relating to pipe diameter, length of the proposed main, or equivalent dwelling units, or any combination of these factors. The department shall require a separate permit application and fee for each noncontiguous project within the system.

(6) A permit issued pursuant to this section shall not become a vested right in the permittee. The department may revoke any permit issued by it if it finds that the permit holder:

(a) Has submitted false or inaccurate information in his application;

(b) Has violated law, department orders, rules, or regulations, or permit conditions;

(c) Has failed to submit operational reports or other information required by department rule or regulation; or

(d) Has refused lawful inspection under s. 403.091.

(7) The department shall not issue a permit to any person for the purpose of engaging in, or attempting to engage in, any activity relating to the extraction of solid minerals not exempt pursuant to chapter 211 within any state or national park or state or national forest when the activity will degrade the ambient quality of the waters of

the state or the ambient air within those areas. In the event the Federal Government prohibits the mining or leasing of solid minerals on federal park or forest lands, then, and to the extent of such prohibition, this act shall not apply to those federal lands.

(8) A violation of this section is punishable as provided in this chapter.

History.—s. 1, ch. 71-203, s. 4, ch. 74-133, s. 14, ch. 78-95, s. 14, ch. 82-77, s. 1, ch. 82-54, s. 1, ch. 82-122, s. 30, ch. 83-218, s. 24, ch. 84-338, s. 11, ch. 86-186, s. 2, ch. 87-125, s. 17, ch. 88-383, s. 29, ch. 91-305, s. 2, ch. 92-132, s. 72, ch. 93-213.

403.0871 Florida Permit Fee Trust Fund.—There is established within the Department of Environmental Regulation a nonlapsing trust fund to be known as the "Florida Permit Fee Trust Fund." All funds received from applicants for permits pursuant to ss. 403.087(5) and 403.861(8), shall be deposited in the Florida Permit Fee Trust Fund and shall be used by the department with the advice and consent of the Legislature to supplement appropriations and other funds received by the department for the administration of its responsibilities under this chapter. In no case shall funds from the Florida Permit Fee Trust Fund be used for salary increases without the approval of the Legislature.

History.—s. 2, ch. 82-122, s. 12, ch. 86-186, s. 30, ch. 91-305.
Note.—Section 2, ch. 93-213, terminated all existing agreements and actions of the Department of Environmental Regulation and the Department of Natural Resources to the Department of Environmental Protection.

403.0872 Operation permits for major sources of air pollution; annual operation license fee.—Each major source of air pollution, including electrical power plants certified under s. 403.511, must obtain from the department an operation permit for a major source of air pollution under this section, which is the only department operation permit for a major source of air pollution required for such source. Operation permits for major sources of air pollution must be issued in accordance with the following procedures and in accordance with chapter 120; however, to the extent that chapter 120 is inconsistent with the provisions of this section, the procedures contained in this section prevail.

(1) For purposes of this section, a major source of air pollution means a stationary source of air pollution or any group of stationary sources within a contiguous area and under common control, which emits any regulated air pollutant and which is any of the following:

(a) A major source within the meaning of 42 U.S.C. s. 7412(a)(1);

(b) A major stationary source or major emitting facility within the meaning of 42 U.S.C. s. 7602(j) or 42 U.S.C. subchapter I, part C or part D;

(c) An affected source within the meaning of 42 U.S.C. s. 7651a(1);

(d) An air pollution source subject to standards or regulations under 42 U.S.C. s. 7411 or s. 7412, provided that a source is not a major source solely because of its regulation under 42 U.S.C. s. 7412(r); or

(e) A stationary air pollution source belonging to a category designated as a 40 C.F.R. part 70 source by regulations adopted by the administrator of the United States Environmental Protection Agency under 42 U.S.C. s. 7661 et seq.

(2) An application for an operation permit for a major source of air pollution must be submitted in accordance with rules of the department governing permit applications. The department shall adopt rules defining the timing, content, and distribution of an application for a permit under this section. A permit application processing fee is not required. The department may issue an operation permit for a major source of air pollution only when it has reasonable assurance that the source applies pollution control technology, including fuel or raw material selection, necessary to enable it to comply with the standards or rules adopted by the department or an approved compliance plan for that source. If two or more major air pollution sources that belong to the same Major Group as described in the Standard Industrial Classification Manual, 1987, are operated at a single site, the owner may elect to receive a single operation permit covering all such sources at the site.

(a) An application for a permit under this section is timely and complete if it is submitted in accordance with department rules governing the timing of applications and substantially addresses the information specified in completeness criteria determined by department rule in accordance with applicable regulations of the United States Environmental Protection Agency governing the contents of applications for permits under 42 U.S.C. s. 7661b(d). Unless the department requests additional information or otherwise notifies the applicant of incompleteness within 60 days after receipt of an application, the application is complete.

(b) Any permitted air pollution source that submits a timely and complete application for a permit under this section is entitled to operate in compliance with its existing air permit pending the conclusion of proceedings associated with its application. Notwithstanding the timing requirements of paragraph (c) and subsection (3), the department may process applications received during the first year of permit processing under this section in a manner consistent with 42 U.S.C. s. 7661b(c).

(c) The department may request additional information necessary to process a permit application subsequent to a determination of completeness in accordance with s. 403.0876(1).

(3) Within 90 days after the date on which the department receives all information necessary to process an application for a permit under this section, the department shall issue a draft permit or a determination that the requested permit should be denied. A draft permit must contain all conditions that the department finds necessary to ensure that operation of the source will be in compliance with applicable law, rules, or compliance plans. If the department proposes to deny the permit application, the department's determination must provide an explanation for the denial. The department shall furnish a copy of each draft permit to the United States Environmental Protection Agency and to any contiguous state whose air quality could be affected or which is within 50 miles of the source pursuant to procedures established by department rule.

(4) The department shall require the applicant to publish notice of any draft permit in accordance with department rule. The department must accept public comment with respect to a draft permit for 30 days fol-

lowing the date of notice publication. The notice must be published in a newspaper of general circulation as defined in s. 403.5115(2). If comments received during this period result in a change in the draft permit, the department must issue a revised draft permit, which shall be supplied to the United States Environmental Protection Agency and to any contiguous state whose air quality could be affected or which is within 50 miles of the source.

(5) Any person whose substantial interests are affected by a draft permit or the denial determination may request an administrative hearing under s. 120.57, in accordance with the rules of the department. A draft permit must notify the permit applicant of any review process applicable to the permit decision of the department. The department shall prescribe, by rule, a suitable standard format for such notification.

(6) If a hearing is not requested under s. 120.57, the draft permit will become the department's proposed permit but does not become final until the time for federal review of the proposed permit has elapsed. The department shall furnish the United States Environmental Protection Agency a copy of each proposed permit and its written response to any comments regarding the permit submitted by contiguous states. If no objection to the proposed permit is made by the United States Environmental Protection Agency within the time established by 42 U.S.C. s. 7661d, the proposed permit must become final no later than 55 days after the date on which the proposed permit was mailed to the United States Environmental Protection Agency. The department shall issue a conformed copy of the final permit as soon as is practicable thereafter.

(7) If a draft permit is the subject of an administrative hearing under s. 120.57, a proposed permit containing changes, if any, resulting from the hearing process, after the conclusion of the hearing, must be issued and a copy must be provided to the applicant, to the United States Environmental Protection Agency, and to any contiguous state whose air quality could be affected or which is within 50 miles of the source, as soon as practicable. The proposed permit shall not become final until the time for review, by the United States Environmental Protection Agency, of the proposed permit has elapsed. If comments from a contiguous state regarding the permit are received, the department must provide a written response to the applicant, to the state, and to the United States Environmental Protection Agency. If no objection to the proposed permit is made by the United States Environmental Protection Agency within the time established by 42 U.S.C. s. 7661d, the proposed permit must become final no later than 55 days after the date on which the proposed permit was mailed to the United States Environmental Protection Agency. The department shall issue a conformed copy of the final permit as soon as is practicable thereafter.

(8) If the administrator of the United States Environmental Protection Agency timely objects to a proposed permit under this section, the department must not issue a final permit until the objection is resolved or withdrawn. A copy of the written objection of the administrator must be provided to the permit applicant as soon as practicable after the department receives it. Within 45

days after the date on which the department serves the applicant with a copy of an objection by the United States Environmental Protection Agency to a proposed permit, the applicant may file a written reply to the objection. The written reply must include any supporting materials that the applicant desires to include in the record relevant to the issues raised by the objection. The written reply must be considered by the department in issuing a final permit to resolve the objection of the administrator. A final permit issued by the department to resolve an objection of the administrator is not subject to s. 120.57.

(9) A final permit issued under this section is subject to judicial review under s. 120.68. If judicial review of a final permit results in material changes to the conditions of the permit, the department shall notify the United States Environmental Protection Agency and any state that is contiguous to this state whose air quality could be affected or that is within 50 miles of the source, pursuant to rules of the department.

(10) If the department is notified by the administrator of the United States Environmental Protection Agency that cause exists to terminate, modify, or revoke and reissue a permit under this section, the department shall, within 90 days after receipt of such notification, furnish to the administrator and the permittee a proposed determination of termination, modification, or revocation and reissuance as appropriate. Within 45 days after the date on which the department notifies the permittee that the United States Environmental Protection Agency proposes action regarding its permit, the permittee may file a written response concerning the proposed action. The written response must include any supporting materials that the permittee desires to include in the record relevant to the issues raised by the proposed action. The permittee's written response must be considered by the department in formulating its proposed determination under this subsection.

(11) Commencing in 1993, each major source of air pollution permitted to operate in this state must pay between January 15 and March 1 of each year, upon written notice from the department, an annual operation license fee in an amount determined by department rule.

(a) The annual fee must be assessed based upon the source's previous year's emissions and must be calculated by multiplying the applicable annual operation license fee factor times the tons of each regulated air pollutant (except carbon monoxide) allowed to be emitted per hour by specific condition of the source's most recent construction or operation permit, times the annual hours of operation allowed by permit condition; provided, however, that:

1. For 1993 and 1994, the license fee factor is \$10. For 1995, the license fee factor is \$25. In succeeding years, the license fee factor is \$25 or another amount determined by department rule which ensures that the revenue provided by each year's operation license fees is sufficient to cover all reasonable direct and indirect costs of the major stationary source air-operation permit program established by this section. The license fee factor may be increased beyond \$25 only if the secretary of the department affirmatively finds that a shortage of revenue for support of the major stationary source air-

operation permit program will occur in the absence of a fee factor adjustment. The annual license fee factor may never exceed \$35. The department shall retain a nationally recognized accounting firm to conduct a study to determine the reasonable revenue requirements necessary to support the development and administration of the major source air-operation permit program as prescribed in paragraph (b). The results of that determination must be considered in assessing whether a \$25-per-ton fee factor is sufficient to adequately fund the major source air-operation permit program. The results of the study must be presented to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Public Service Commission, including the Public Counsel's Office, by no later than October 31, 1994.

2. For any source that operates for fewer hours during the calendar year than allowed under its permit, the annual fee calculation must be based upon actual hours of operation rather than allowable hours if the owner or operator of the source documents the source's actual hours of operation for the calendar year. For any source that has an emissions limit that is dependent upon the type of fuel burned, the annual fee calculation must be based on the emissions limit applicable during actual hours of operation.

3. For any source whose allowable emission limitation is specified by permit per units of material input or heat input or product output, the applicable input or production amount may be used to calculate the allowable emissions if the owner or operator of the source documents the actual input or production amount; if the input or production amount is not documented, the maximum allowable input or production amount specified in the permit must be used to calculate the allowable emissions.

4. For any new source that does not receive its first operation permit until after the beginning of a calendar year, the annual fee for the year must be reduced pro rata to reflect the period during which the source was not allowed to operate.

5. For any source that emits less of any regulated air pollutant than allowed by permit condition, the annual fee calculation for such pollutant must be based upon actual emissions rather than allowable emissions if the owner or operator documents the source's actual emissions by means of data from a department-approved certified continuous emissions monitor or from an emissions monitoring method which has been approved by the United States Environmental Protection Agency under the regulations implementing 42 U.S.C. s. 7651 et seq., or from a method approved by the department for purposes of this section.

6. The amount of each regulated air pollutant in excess of 4,000 tons per year allowed to be emitted by any source, or group of sources belonging to the same Major Group as described in the Standard Industrial Classification Manual, 1987, may not be included in the calculation of the fee. Any source, or group of sources which does not emit any regulated air pollutant in excess of 4,000 tons per year, is allowed a one-time credit not to exceed 25 percent of the first annual licensing fee for the prorated portion of existing air-operation permit

application fees remaining upon commencement of the annual licensing fees.

7. If the department has not received the fee by February 15 of the calendar year, the permittee must be sent a written warning of the consequences for failing to pay the fee by March 1. If the department has not received the fee by March 1 of the calendar year, the department shall impose, in addition to the fee, a penalty of 50 percent of the amount of the fee, plus interest on such amount computed in accordance with s. 220.807. The department may revoke any major air pollution source operation permit if it finds that the permit holder has failed to timely pay any required annual operation license fee, penalty, or interest.

8. During the years 1993 through 1999, inclusive, no fee shall be required to be paid under this section with respect to emissions from any unit which is an affected unit under 42 U.S.C. s. 7651c.

9. Notwithstanding the computational provisions of this subsection, the annual operation license fee for any source subject to this section shall not be less than \$250.

(b) Annual operation license fees collected by the department must be sufficient to cover all reasonable direct and indirect costs required to develop and administer the major stationary source air-operation permit program, which shall consist of the following elements to the extent that they are reasonably related to the regulation of major stationary air pollution sources, in accordance with United States Environmental Protection Agency regulations and guidelines:

1. Reviewing and acting upon any application for such a permit.
2. Implementing and enforcing the terms and conditions of any such permit, excluding court costs or other costs associated with any enforcement action.
3. Emissions and ambient monitoring.
4. Preparing generally applicable regulations or guidance.
5. Modeling, analyses, and demonstrations.
6. Preparing inventories and tracking emissions.
7. Implementing the Small Business Stationary Source Technical and Environmental Compliance Assistance Program.

8. The study conducted under subparagraph (a)1 and any audits conducted under paragraph (c).

(c) An audit of the major stationary source air-operation permit program must be conducted 2 years after the United States Environmental Protection Agency has given full approval of the program, or by the end of 1996, whichever comes later, to ascertain whether the annual operation license fees collected by the department are used solely to support any reasonable direct and indirect costs as listed in paragraph (b). A program audit must be performed biennially after the first audit.

(12) Permits issued under this section must allow changes within a permitted facility without requiring a permit revision, if the changes are not physical changes in, or changes in the method of operation of, the facility which increase the amount of any air pollutant emitted by the facility or which result in the emission of any air pollutant not previously emitted by the facility, and the

changes do not exceed the emissions allowable under the permit (whether expressed therein as a rate of emissions or in terms of total emissions), provided that the facility provides the administrator and the department with 30 days' written, advance notice of the proposed changes. The department shall adopt rules implementing this flexibility requirement.

(13) In order to ensure statewide consistency in the implementation of the national Acid Deposition Control Allowance Transfer System, a department district office or local pollution control program may not issue or administer permits under this section for any electrical power plant or any source that participates in the allowance transfer system.

(14) In order to ensure statewide consistency in the permitting of major sources, a local pollution control program may not issue permits under this section for sources that belong to Major Group 26, Paper and Allied Products; for sources that belong to Major Group 28, Chemicals and Allied Products; or for sources that belong to Industry Number 2051, Cane Sugar, Except Refining, as defined in the Standard Industrial Classification Manual, 1987. This subsection expires July 1, 1997.

(15) Any permittee that operates in compliance with an air-operation permit issued under this section is deemed to be in compliance with applicable permit requirements of the Clean Air Act and all implementing state, local, and federal air pollution control regulations and all provisions of this chapter, relating to air pollution, and regulations adopted thereunder.

(16) The department shall adopt a rule to provide for a procedure for notice to the appropriate approved local pollution control programs, pursuant to s. 403.102 of any draft permits, amended draft permits, or final permits issued by the department.

(17) The administrator of the United States Environmental Protection Agency may intervene as a matter of right in any administrative or judicial proceeding relating to an operation permit for a major source of air pollution required under this section.

History.—s. 3 on 92-132 s. 2 on 93-94

403.0873 Florida Air-Operation License Fee Account.

—The "Florida Air-Operation License Fee Account" is established as a nonlapsing account within the "Department of Environmental Regulation's Air Pollution Control Trust Fund. All license fees paid pursuant to s. 403.0872(10) shall be deposited in such account and must be used solely by the department and approved local programs under the advice and consent of the Legislature to pay the direct and indirect costs required to develop and administer the major stationary source air-operation permit program. Any approved local pollution control program that accepts funds from the department as reimbursement for services it performs in the implementation of the major source air-operation permit program is prohibited from collecting additional fees attributable to such services from any source permitted under s. 403.0872.

History.—s. 5 on 92-132

Note.—Section 2 of s. 403.0873 transferred an existing legal authority and authority of the Department of Environmental Regulation and the Department of Natural Resources to the Department of Environmental Protection.



STATE OF MISSISSIPPI
DEPARTMENT OF ENVIRONMENTAL QUALITY
JAMES L. PALMER, JR.
EXECUTIVE DIRECTOR

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APR 21 1994

ENVIRONMENTAL
QUALITY

April 18, 1994

Mr. Richard S. Semmes, CHMN, REP
Senior Environmental Specialist
Mississippi Power Company
P.O. Box 4079
Gulfport, MS 39502-4079

Dear Mr. Semmes:

We have reviewed the additional information that you submitted regarding the closure/post-closure plan of the fly ash pond for Mississippi Power Company's Plant Daniel in Jackson County. Based on the information submitted, we do not intend to object to the proposed closure activity. Furthermore, although we recognize that the proposed permeability of 1×10^{-6} cm/sec for this final cover is lower than the required permeability of 1×10^{-5} cm/sec, based on the existing conditions at the site, we are encouraging Mississippi Power Company to attempt to attain a permeability of 1×10^{-7} cm/sec, where possible, to help further prevent infiltration of water through the final cover.

Also, due to past studies by EPA regarding the potential for unlined fly ash facilities to leach contaminants into groundwater and the groundwater analytical data of 1991 for the Plant Daniel facility, our office is requesting that Mississippi Power Company amend its closure/post-closure plan at its fly ash pond at Plant Daniel to include monitoring, at a minimum, for the following parameters, on an annual basis for the 5-year post-closure period:

Antimony (Sb)	Chromium (Cr)	Selenium (Se)
Arsenic (Ar)	Cobalt (Co)	Silver (Ag)
Barium (Ba)	Copper (Cu)	Thallium (Tl)
Beryllium (Be)	Lead (Pb)	Vanadium (V)
Cadmium (Cd)	Nickel (Ni)	Zinc (Zn)

Should you have any questions or comments concerning this matter, contact our office at 961-5171.

Sincerely,

Marc Wyatt
Environmental Engineer
Special Wastes Section

MWY:yb



STATE OF MISSISSIPPI
DEPARTMENT OF ENVIRONMENTAL QUALITY
JAMES I. PALMER, JR.
EXECUTIVE DIRECTOR

June 13, 1994

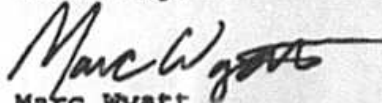
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JUN 15 1994
ENVIRONMENTAL
QUALITY

Mr. Richard S. Semmes, CHMM, REP
Senior Environmental Specialist
Mississippi Power Company
P.O. Box 4079
Gulfport, MS 39502-4079

Dear Mr. Semmes:

We have reviewed the additional information that you submitted to our office regarding the closure/post-closure plan of the fly ash pond for Mississippi Power Company's Plant Daniel in Jackson County. The purpose of this letter is to inform you that based on the information submitted, our office does not intend to object to the proposed closure activity. Should you have any questions or comments concerning this matter, contact our office at 961-5171.

Sincerely,


Marc Wyatt
Environmental Engineer
Special Waste Section

MWY:yb