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Executive Director

December 15, 2014

Bobby Bull, P.E.

Florida Department of Environmental Protection

Siting Coordination Office

3900 Commonwealth Blvd. MS 48

Tallahassee, FL 32399

Subject: **PRELIMINARY STATEMENT OF ISSUES**

Duke Energy Florida – Citrus Combined Cycle Project

SCA 77-09A3 – OGC No. 2014027

Dear Mr. Bull:

This letter serves as the Southwest Florida Water Management District's Preliminary Statement of Issues relating to the above-referenced power plant site certification application. As indicated in the District's initial Completeness Determination, the District has concerns regarding the requested groundwater allocation of 5.309 million gallons per day annual average water use and 6.348 million gallons per day peak month use. The requested amounts are currently authorized for Units 1 – 5 at the Applicant's Crystal River plant. In light of anticipated changes at that site, the District requested that the applicant provide a business plan demonstrating that a need for the full requested allocation would occur in the foreseeable future, and if the requested quantities were not necessary, that a time line be provided setting forth anticipated changes in annual average and peak month groundwater use as operational changes occur and as water demands diminish over time.

In response, the applicant has acknowledged that certain activities could result in a reduction in groundwater demand facility-wide. These activities include planned use of reclaimed water from the city of Crystal River, retirement of Crystal River Unit 3, and future retirement of Crystal River Units 1 and 2 in coordination with operational commencement of the Citrus Combined Cycle project. Given that this application proposes to combine the existing site conditions and water use permitted quantities for the Crystal River plant into the conditions for issuance for this project, the water needs for the near future will change over time. In light of the inability to predict clearly how and when water needs will change, the Applicant has proposed to address this situation with an attachment, to be incorporated into the proposed conditions for certification, that sets forth requirements for an annual water use summary report that is intended to confirm continued water use allocations and identify any reductions in demand, and identify proposed water demands for the coming year. Adjustments in allocation would be based upon District acceptance of these submittals.

Bobby Bull, P.E.
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While the District is amenable to considering this approach to document water needs, appropriate drafting of condition and attachment language will determine whether this approach meets the District's substantive criteria for determining reasonable-beneficial use consistent with the public interest.

Especially in light of the fact that a site certification for the proposed facility is perpetual in duration, the District considers the necessity to determine an appropriate water allocation and to implement suitable provisions for making adjustments for changing water needs, as issues that need to be addressed in this site certification application process.

If you have any further questions in this regard, please contact me at the District's Tampa Office at extension 4657 or by email at: martha.moore@swfwmd.state.fl.us.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Martha A. Moore', with a long horizontal line extending to the right.

Martha A. Moore
Assistant General Counsel

cc: Darrin Herbst
Claire Muirhead
Mario Cabana
James Golden
Attached service list