



Florida Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

August 17, 2009

Mr. John Griffin, PPS, CFE
Director, Tangible Personal Property
Osceola County
2505 East Irlo Bronson Memorial Highway
Post Office Box 423427
Kissimmee, Florida 34742-3427

Re: PEF Intercession City Plant
Pollution Control Devices

Dear Mr. Griffin:

I have reviewed the material attached to your letter dated August 6, 2009 concerning pollution control devices at the Progress Energy Florida (PEF) Intercession City Plant.

In accordance with §193.621, Florida Statutes, if it becomes necessary for a manufacturing or industrial plant or installation "to install or construct a facility in order to eliminate or reduce industrial air or water pollution, those facilities shall be deemed to have value for purposes of assessment for ad valorem property taxes no greater than their market value as salvage". Note that only those facilities installed to eliminate or reduce air or water pollution are eligible for this type of assessment.

In my opinion, most of the equipment listed on the submitted form is indeed "primarily for the purpose of air or water pollution control" and is eligible for assessment as a pollution control device pursuant to §193.621, Florida Statutes. However, items that I do not consider as consistent with the aforementioned Statute include the items listed as Combustion Turbine Noise Equipment, Noise/Acoustical Enclosure, and Exhaust Stacks.

It is my opinion that:

- Equipment listed in the "noise" category does not qualify as air or water pollution.
- The primary purpose of exhaust stacks is not pollution control. However, because federal regulations include requirements that apply "good engineering practices" to stack heights, as a matter of practice we recommend that up to 60% of the value of exhaust stacks be assessed at no greater than the "salvage value".

If you have any questions on this determination, please contact Cindy Mulkey at (850) 245-2175.

Sincerely,

Michael P. Halpin, P.E.
Administrator, Siting Office

Katrina S. Scarborough, CFA, CCF, MCF
Osceola County Property Appraiser

2505 East Irlo Bronson Memorial Highway • Post Office Box 422366 • Kissimmee, Florida 34742-2366

Phone: 407-742-5000 • Fax: 407-742-4900

August 6, 2009

DEPARTMENT OF
ENVIRONMENTAL PROTECTION

AUG 17 2009

SITING COORDINATION

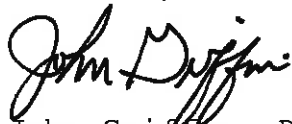
Hamilton S. Oven, P.E.
Department of Environmental Protection
3900 Commonwealth Boulevard
M.S. 49
Tallahassee, FL 32399

Dear Mr. Oven:

Enclosed is a list of equipment submitted by Progress Energy. They are requesting that this office value for property tax purposes the listed property as pollution control equipment.

Please make a determination as to the validity of this request in accordance with Florida Statutes. If you have any questions regarding this matter, please call me at (407) 742-5030. Your help will be appreciated.

Sincerely,



John Griffin, PPS, CFE
Director of Tangible Personal Property

Enclosure

www.property-appraiser.org

Tangible Department

Post Office Box 423427
Kissimmee, Florida 34742-3427
Phone: 407-742-5020

Mapping Department

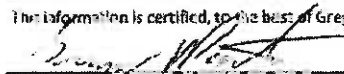
2505 East Irlo Bronson Memorial Highway
Kissimmee, Florida 34744
Phone: 407-742-5053
Fax: 407-742-5059

Intercession City

Pollution Control Facility System Name	Pollution Control Facility System Description	Applicable Regulation or Permit Reference	Estimated Cost
Combustion Turbine Noise Equipment	Used exclusively to decrease noise emissions from the Combustion Turbine Generators.	Final Title V Permit No. 0970014-010 AV. Florida Statutes Section 403.031 defines pollution to include "any substances, contaminants, noise...at levels which are or may be potentially harmful or injurious to human health or welfare...or which unreasonably interfere with the enjoyment of life or property..."	1,082,745
Continuous Emissions Monitoring System	Used exclusively to monitor pollutant emissions from the Combustion Turbine Stacks to ensure operability of Dry Low-NOx and water injection to mitigate the release of NOx to the ambient air.	Final Title V Permit No. 0970014-010 AV. 40 CFR 60, Subpart GG (60.332)	328,016
Deminerlizer Water System-Water Injection for NOx Control	Used primarily to remove dissolved solids and gases from water which accumulate during the NOx control process.	Final Title V Permit No. 0970014-010 AV and Surface Permit # 49-006415. Chapter 62, F.S.; FAC 62.4, 620-210 and 62.213.	550,708
Dry Low NOx Combustion System	Used primarily to decrease NOx formation and thereby mitigate NOx emissions to the ambient air from the Combustion Turbines.	Final Title V Permit No. 0970014-010 AV. Code of Federal Regulations ("CFR") Title 40 Part 60, Subpart GG ("40CFR60"), 60.332, Standards of Performance for Stationary Gas Turbines, Florida Administrative Code ("FAC") 62-212.100, Prevention of Significant Deterioration ("PSD")	24,176,874
Exhaust Stacks	Used primarily to decrease the level of pollutants in the ambient air and ground level from the combustion turbines exhaust gas.	Final Title V Permit No. 0970014-010 AV. FAC Section 62-210.570 defined the stack height policy.	5,322,580
Noise/Acoustical Enclosure	Used exclusively to decrease noise emissions from the Combustion Turbine Generators.	Final Title V Permit No. 0970014-010 AV. Florida Statutes Section 403.031 defines pollution to include "any substances, contaminants, noise...at levels which are or may be potentially harmful or injurious to human health or welfare...or which unreasonably interfere with the enjoyment of life or property..."	660,047
Oil Vapor Control	Prevents oil vapors from being released into the atmosphere and/or surface/groundwaters of the state.	Final Title V Permit No. 0970014-010 AV. Chapter 403, F.S.; FAC 62.4, 620-210 and 62-213.	194,008
Spill Containment Fuel Oil Tank	Prevents the accidental discharge of oils and hazardous materials to the groundwaters and surface waters of the state by the use of a fuel oil tank.	Final Title V Permit No. 0970014-010 AV and Surface Permit No. 49-006415. CFR Title 40 Parts 112.20, 112.21, and 112.107; Florida Statutes 376.041, "Pollution of waters and lands of the state prohibited. The discharge of pollutants into or upon any coastal waters, estuaries, tidal flats, beaches, and lands adjoining the seacoast of the state in the manner defined by ss. 376.011-376.21 (NPDES) is prohibited;" FAC 62-302, Surface Water Quality Standards.	15,435
Spill Containment Fuel Oil Trench	Prevents the accidental discharge of oils and hazardous materials to the groundwaters and surface waters of the state by the use of a trench.	Final Title V Permit No. 0970014-010 AV and Surface Permit No. 49-006415. CFR Title 40 Parts 112.20, 112.21, and 112.107; Florida Statutes 376.041, "Pollution of waters and lands of the state prohibited. The discharge of pollutants into or upon any coastal waters, estuaries, tidal flats, beaches, and lands adjoining the seacoast of the state in the manner defined by ss. 376.011-376.21 (NPDES) is prohibited;" FAC 62-302, Surface Water Quality Standards.	58,223
Spill Prevention Containment Structures and Equipment	Prevents the accidental discharge of oils and hazardous materials to the groundwaters and surface waters of the state by the use of concrete containment structures.	CFR Title 40 Parts 112.20, 112.21, and 112.107; Florida Statutes 376.041, "Pollution of waters and lands of the state prohibited. The discharge of pollutants into or upon any coastal waters, estuaries, tidal flats, beaches, and lands adjoining the seacoast of the state in the manner defined by ss. 376.011-376.21 (NPDES) is prohibited;" FAC 62-302, Surface Water Quality Standards.	460,900

Waste Water Collection & Treatment System	Used primarily to stop unauthorized discharges to the ground water and surface waters of the state.	Final Title V Permit No. C970014-010 AV and Surface Permit No. 49-006415. Florida Statutes 376.041, "Pollution of waters and lands of the state prohibited. The discharge of pollutants into or upon any coastal waters, estuaries, tidal flats, beaches, and lands adjoining the seacoast of the state in the manner defined by ss. 376.011-376.21 (NPDES) is prohibited"; FAC 62-302, Surface Water Quality Standards.	614,875
Water Injection System for NOX Control	Used exclusively to decrease NOx formation and thereby mitigate NOx emissions to the ambient air from the Combustion Turbine.	Final Title V Permit No. C970014-010 AV. 40CFR60, Subpart GG, 60.332; FAC 62-212.400, PSD;	519,000
Water Purification for NOX Control	Used exclusively to remove chemicals from water introduced during the NOX control process.	Final Title V Permit No. C970014-010 AV. 40CFR60, Subpart GG, 60.332; FAC 62-212.400, PSD;	86,223
Osceola Facilities Total			\$ 44,409,434

This information is certified, to the best of Gregory V. Poniatowski's knowledge, as true and correct.


Gregory V. Poniatowski, P.E.

P.E. No. 43817

July 31, 2009