

August 6, 2001

AR-18J

Jenny L. Reinertsen, P.E.
Major Facilities
South District
Minnesota Pollution Control Agency
520 Lafayette Road North
Saint Paul, Minnesota 55155-4194

RE: Prevention of Significant Deterioration Permit for
Rochester Public Utilities Silver Lake Plant

Dear Ms. Reinertsen:

On December 29, 2000, you wrote to us asking whether we had any concerns about your plans for issuing a Prevention of Significant Deterioration (PSD) permit for a proposed project at Rochester Public Utilities (RPU) Silver Lake Plant. The project entails tapping the steam lines between Silver Lake's four boilers and their respective turbine generators and diverting all or a part of the steam to supply heat to Mayo Foundation facilities. It appears that RPU does not dispute that the increase in emissions from the project will trigger Prevention of Significant Deterioration (PSD) review for the Silver Lake Plant, and we gather from your letter that the Minnesota Pollution Control Agency (MPCA) will require RPU to submit a PSD permit application. We understand that the principal remaining issue at this time is whether tapping the steam lines constitutes a physical change to the boilers.

Tapping one of the steam lines would constitute a physical change to the associated boiler only if the boiler and steam line were part of the same emission unit. We do not view the steam line or steam turbine as part of the boiler emission unit. Accordingly, tapping the steam lines does not constitute a physical change to Silver Lake's boilers.

If you have any questions concerning this letter, please contact me at (312) 353-0396, miller.robert@epa.gov.

Sincerely yours,

/s/

Robert B. Miller, Chief
Permits and Grants Section (MI/MN/WI)

