

May 2, 2002

Mr. Kevin Grant  
Duke Energy  
5400 Westheimer Court  
Houston, TX 77056-5310

Re: 165-15533-00022  
First Administrative Amendment to  
Part 70 165-10476-00022

Dear Mr. Grant:

Duke Energy Vermillion, LLC (Vermillion Generating Station) located at CR 300N and SR63 in Eugene Township, Indiana 47928 was issued a PSD permit on July 1, 1999 for construction of a stationary merchant power plant. The plant consists of eight (8) simple cycle, natural gas fired combustion turbines (with diesel fuel as backup) with a nominal output of 80 MW each.

Construction of the facility began on July 1999 with the natural gas fired portion completed at the end of June 2000. The back-up diesel fuel system was not installed at this time. On January 31, 2002 IDEM, OAQ received a request from Duke Energy for a 12 (twelve) month extension from December 2001 to December 2002 to install the oil nozzles, fuel storage tanks and other infrastructure needed for the oil firing system. Additional information to support this request was received on April 30, 2002.

The following were used to evaluate the request:

- 1) The turbines were designed for diesel fuel as back-up because the mounting holes for the dual fuel combustor are already in place. The construction remaining to add the diesel fuel back-up system is the insertion of the fuel nozzles and dual fuel combustors.
- 2) The fuel oil storage tank area has also been designated in the original permit application.
- 3) Since the start-up in June 2000, the facility has been involved in various ongoing construction projects as follows:
  - a) In addition to "Tuning-in" violations in the summer of 2000, during the winter of 2000/2001 minor construction modifications were made to prepare for the next season.
  - b) Additional construction modifications for the air systems and buildings have been ongoing throughout the 2001/2002 season.

These are considered part of the construction, therefore, construction has not ceased.

- 4) The source is located in Vermillion County which is in attainment for all regulated pollutants and no new rules are applicable to this source.

Therefore, the above referenced permit is amended to extend the construction period until December 31, 2002.

All other conditions of the permit shall remain unchanged and in effect. Please attach a copy of this amendment to the front of the original permit.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter, please contact Walter Habeeb at (317) 232-8422.

Sincerely,

Original Signed by Paul Dubenetzky  
Paul Dubenetzky, Chief  
Permits Branch  
Office of Air Quality

WVH

cc: File - Vermillion County  
U.S. EPA, Region V  
Air Compliance Section Inspector -Jim Thorpe  
Compliance Data Section - Karen Nowak  
Administrative and Development - Sara Cloe  
Technical Support and Modeling - Michele Boner