

August 30, 2005

Mr. William M. Bumpers
Counsel for Western Kentucky Energy
Baker Botts L.L.P.
The Warner
1299 Pennsylvania Ave., N.W.
Washington, D.C. 20004-2400

Re: Applicability of New Source Review to Proposed Monitoring Equipment
at Western Kentucky Energy

Dear Mr. Bumpers:

Thank you for your letter dated April 21, 2005, in which you ask on behalf of your client, Western Kentucky Energy Corporation (WKE), for a formal determination from the US Environmental Protection Agency (EPA) regarding the applicability of new source review (NSR) to an upcoming WKE project. In your letter, you request assurance from EPA that the installation and use of a particulate matter continuous emissions monitor (PM CEM) on the Henderson Station II, Unit 2 exhaust stack will not raise NSR permitting concerns. Please note that the Kentucky Division of Air Quality (KDAQ) is the permitting authority for this facility and that this response is EPA's view regarding whether the installation of the PM CEM would trigger the applicability of major NSR.

Your letter indicates that Unit 2 opacity is currently monitored using a continuous opacity monitor (COM) that is located in the duct work following the electrostatic precipitator and prior to the scrubber. Further, you note that WKE has periodically had to derate the unit due to high opacity readings as measured at the COM in the duct work. WKE would like to install a PM CEM on the unit's exhaust stack and request a permit amendment to use the PM CEM as the method of demonstrating compliance with the applicable PM limit. In addition, in order to avoid derates, WKE's request for a permit amendment would also ask for a revisiting of the opacity requirement given the enhanced monitoring for PM. As proposed, the installation of the PM CEM will not change the unit's permitted capacity and emissions limits. Finally, you indicate that you have already obtained letters of approval for this concept from both the KDAQ and EPA Region IV.

The EPA view is that adding the PM CEM is not a change because it relates to improving monitoring for compliance. The EPA view is that the installation of PM CEMs is not considered a modification for purposes of major NSR applicability, and therefore does not trigger review for major NSR. You should continue to work with KDAQ and US EPA Region IV to address any specific permit changes necessary to address the continuous monitoring and opacity compliance issues.

Again, thank you for your letter. I appreciate the opportunity to be of service and trust the information provided is helpful to you.

Sincerely,

Original signed

William T. Harnett
Director
Information Transfer and
Program Integration Division

cc: Gregg Worley, EPA Region IV
Racqueline Shelton, EPA, OAQPS
Loren Denton, EPA, OECA
Elliott Zenick, EPA, OGC