



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
AIR AND RADIATION

Boyd A. Giles, Vice-President & Resident Manager
Mead Coated Board, Inc.
P.O. Box 940
Phenix City, AL 36868

Dear Mr. Giles:

This letter revises the letter dated February 26, 1999, in which EPA issued its official determination of applicability under 40 CFR 72.6 of the Acid Rain Program for Mead Coated Board, Inc.'s ("Mead") generator #3 and its boilers and furnaces serving steam turbines #1 and #2. The facilities are owned and operated by Mead at the Mahrt pulp and paper mill ("the mill") near Cottonton, Alabama. In the February 26, 1999 letter, EPA determined that generator #3 and the boilers and furnaces serving steam turbines #1 and #2 are unaffected units under 40 CFR 72.6(b)(3) and (4)(ii), provided that they are operated in a manner consistent with the requirements of those regulations and the requirements and conditions noted in the letter. On March 17, 1999, Mead informed EPA that some of the information on which the determination in the February 26, 1999 letter was based was erroneous. In particular, the diagram (referred to as Figure 3) of Mead's facilities was inaccurate because the actual interconnections among steam turbines #1 and #2, generator #3, and the grid are more complicated than shown in Figure 3. Further, contrary to information originally provided to EPA, all of the meters at the breakers shown in Figure 3 are owned and operated by Mead. Mead provided a new diagram (referred to in the instant letter as Figure A) that, according to Mead, accurately shows the interconnections at the facilities.

In light of Mead's correction of information previously provided and Mead's submission of new information, EPA is revising the February 26, 1999 letter as follows. The letter, as revised below (not the unrevised, original February 26, 1999 letter, which was apparently based on inaccurate information) represents EPA's official determination of applicability under 40 CFR 72.6 for Mead's generator #3 and its boilers and furnaces serving steam turbines #1 and #2.

- a. Each reference in the February 26, 1999 letter to "Figure 3" is removed and replaced by a reference to "Figure A".

b. Paragraphs 1(a), 1(b), 1(c), 1(d), and 2 in the February 26, 1999 letter are removed and replaced by the following paragraphs 1(a), 1(b), 1(c), and 2:

“1. The interconnection and power sales agreement must state that:

(a) Mead will sell only electricity produced by generator #3 (GT3 on Figure A) and will not sell any electricity when generator #3 is not operating.

(b) All electricity sold by Mead will be transferred through bus P and metered at breaker U-1 or breaker U-2. At any time, the sum of the amount of electricity metered, as flowing to the grid, at breaker U-1 and sold by Mead plus the amount of electricity metered, as flowing to the grid at breaker U-2 and sold by Mead must not exceed the amount in paragraph (b)(i) or the amount in paragraph (b)(ii). In metering the amounts at breakers U-1 and U-2 and calculating the sum of the amounts, Mead must subtract any amount of electricity metered, as flowing from the grid to bus P, at breaker U-1 or U-2.

(i) The amount of electricity metered at breaker D-1 (through which flows only power produced by generator #3).

(ii) The amount of electricity metered, as flowing to the synchronizing bus, at breaker C-15 (through which flows to the synchronizing bus all power that is produced by generator #3 and directed to the synchronizing bus). In metering this amount of electricity at breaker C-15, Mead must subtract any amount of electricity metered, as flowing to bus C, at breaker C-15.

(c) Mead will not sell electricity, at any time, in excess of 25 MWe or, during any year, in excess of 219,000 MWe-hrs.

2. As conditions for EPA’s determination, Mead must arrange and maintain the steam turbines #1 and #2 (TG1 and TG2 on Figure A), generator #3, lines, buses, and breakers as described in this letter and reflected in the attached Figure A and must meet the following data and recordkeeping requirements. Mead must meter continuously the electricity flows at breakers C-15, D-1, U-1, and U-2. Mead must keep records of such metered data for a period of at least three years from the creation of the data and must ensure that such data is accessible for audit by EPA upon request.”

c. Figure 3, attached to the February 26, 1999 letter, is removed and replaced by Figure A, which is attached to the instant letter.

EPA makes the determination in the February 26, 1999 letter, as revised by the instant letter, based on the representations made in the July 31, 1998 submission and subsequent telephone conversations with Gary Becker and Tony Owens in reliance on the accuracy and completeness of those representations. This determination is appealable under 40 CFR part 78. The applicable regulations require you to send copies of this letter to each owner or operator of

the units discussed above (40 CFR 72.6(c)(1)). If you have further questions regarding this determination or the Acid Rain Program, please contact Robert Miller at (202) 564-9077.

Sincerely,

/s/ (April 16, 1999)

Brian J. McLean, Director
Acid Rain Division

Attachment

cc: Nate Hartman, State of Alabama
Jenny Jachim, EPA Region 4

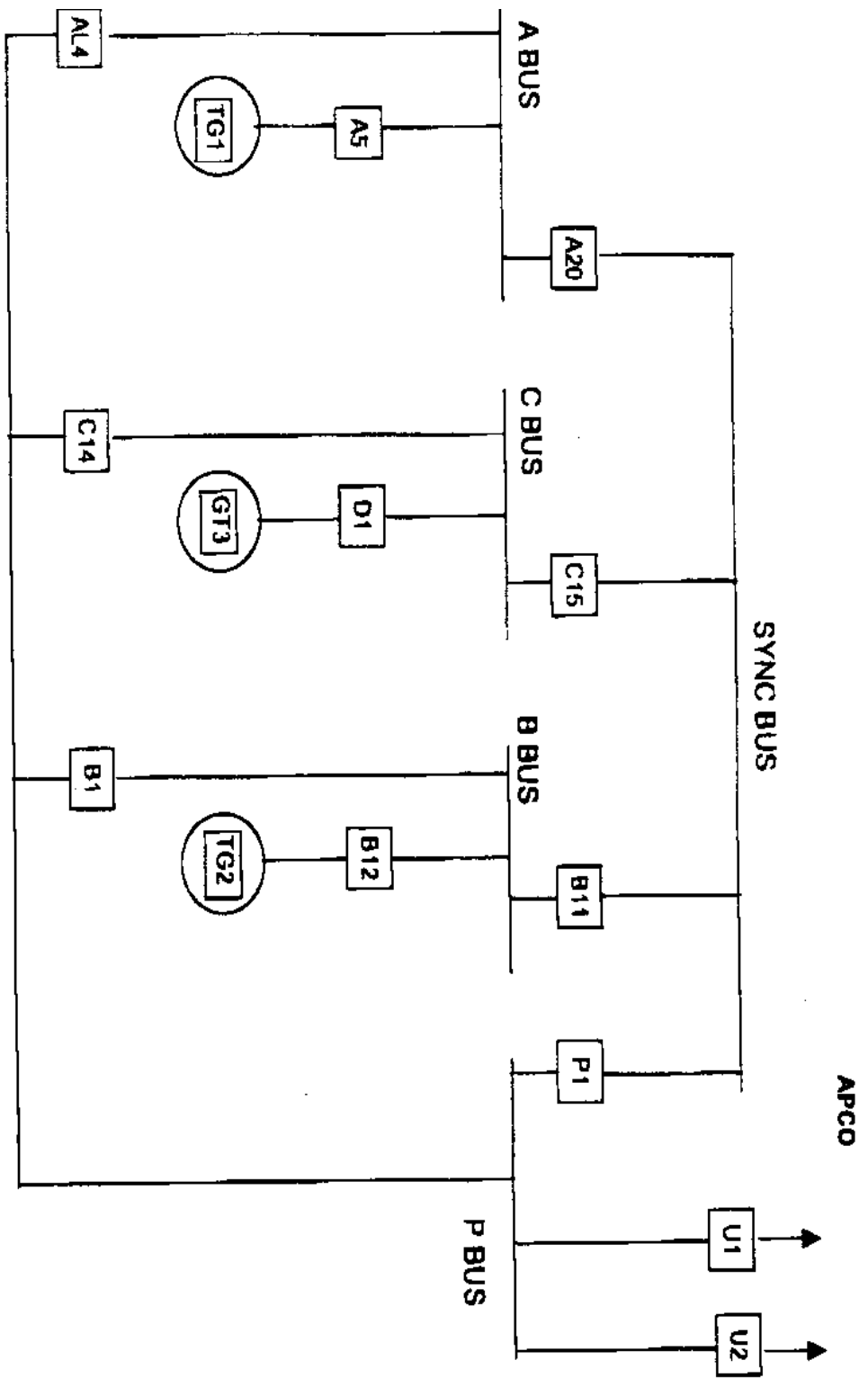


Figure A