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STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF AIR POLLUTION CONTROL
9TH FLOOR, L & C ANNEX
401 CHURCH STREET
NASHVILLE, TN 37243-1531

CERTIFIED MAIL 7007 1490 0001 0737 6921
RETURN RECEIPT REQUESTED

November 30, 2010

V. K. Fletcher, General Manager
East Tennessee Natural Gas Company, Station 3110
P.O. Box 1642
Houston, TX 77251-1642

Re: 65-0028-01, Potential to Emit Calculations

Dear Mr. Fletcher:

We received your operating permit applications for three (3) natural gas-fired Solar Saturn T-1300 turbines on June 3, 2010. Your application indicates the facility's potential emissions using the manufacturer's operating and emissions data (Table A-1 and Table A-2) and emission factors AP-42, and we believe that the potential to emit for two regulated air pollutants at your facility is above the major source (Title V) threshold.

As required by the EPA's Title V permit program, a facility is considered a major source if the potential emissions – uncontrolled emissions based on 24-hour, 365-day operation – are above the Title V applicability threshold. For regulated air pollutants that are not listed as hazardous air pollutants (HAPs), the Title V threshold is 100 tons per year.

Potential emissions were calculated for Solar Saturn turbines using the manufacturer's operating and emissions data and unrestricted hours of operation. The following potential emissions were calculated for your facility:

Pollutant	Potential Emissions (tons/year) ¹
Nitrogen oxides (NO _x)	115.1 – 122.4
Carbon Monoxide	186.8 – 198.7

1. Potential emission calculations were estimated using facility-supplied data for average and maximum emissions.

Based on the Division's calculations, the facility is above the major source threshold for nitrogen oxides and carbon monoxide. Therefore, the Division will require East Tennessee Natural Gas Company's (ETNGC) to apply for a Title V Operating Permit within 360 days of receipt of this letter.

If ETNGC does not wish to be a Title V source, the facility may choose to opt-out of being issued a Title V Operating Permit by limiting their potential to emit such that they are below the applicability threshold. In order to exercise this option, the facility must agree to be bound by a permit which specifies a more restrictive limit and to be subject to detailed monitoring, reporting, and recordkeeping requirements that prove the source is abiding by its more restrictive emission and/or production limits. The attached opt-out agreement shows the information that is required to opt-out of the Title V permit program. ETNGC is not required to use this form, but any opt-out agreement must provide the requested information.

If you have questions, please contact Olga Jacobsen at (615) 532-0581.

Sincerely,

John A. Trimmer

John A. Trimmer

East Tennessee Permit Program

JAT/ODJ

cc: File 65-0028-01-S2
Knoxville Environmental Field Office
Green File
ODJ