



DUKE ENERGY CORPORATION
Cliffside Steam Station
573 Duke Power Road
Cliffside, NC 28024

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Mooresboro, North Carolina 28114

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March 7, 2007

Dr. Don Van der Vaart, P.E.
Division of Air Quality
1641 Mail Service Center
Raleigh, North Carolina 27699-1641

Attention: Ed Martin

Subject: Cliffside New Generation Project
PSD Construction Permit Application –
Revise Application to Delete Second New Generating Unit

Dear Dr. Van der Vaart:

Duke Energy Carolinas has received a Certificate of Convenience and Necessity (CPCN) from the NC Utilities Commission for the construction of new coal-fired generation at the Cliffside Station. As you are aware, this CPCN authorizes the construction of only one of the two units included in our PSD construction permit application filed with the Division of Air Quality on December 21, 2005.

Because of this decision by the NC Utilities Commission, we are hereby requesting that the application be amended to include the construction of only the first of the two proposed new coal-fired units (described as Unit 6 Boiler) and the associated ancillary equipment and processes.

Duke Energy Carolinas will work with you and your staff to review the permit application further to identify any specific changes to the application that will be needed as a result of this action. We expect to meet with you on March 12, 2007 and will discuss the deletion of the Unit 7 Boiler and various equipment associated with Unit 7 that are not intended for common use with the Unit 6 boiler. We will also provide an updated emissions inventory and air quality impact analysis. We may also consider revising the PSD and BACT determinations for one or more pollutants based on the decreased total potential emissions from the single unit addition. Duke Energy Carolinas will provide this additional information as soon as possible, including any necessary changes to the permit application forms. However, to expedite the permitting process, we request that you proceed with your review of the existing permit application with the understanding that the only change is the deletion of the Unit 7 Boiler and associated ancillary equipment.

If you have any questions, please contact Kris Knudsen (980-373-3225).

March 7, 2007
Dr. Don Van der Vaart
Page 2

I certify under penalty of law that, based on information and belief formed after reasonable inquiry, the statements and information contained or referenced in this letter are true, accurate, and complete.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rick R. Roper".

Rick R. Roper, Manager
Cliffside Steam Station

cc: Keith Overcash
DAQ Permit Branch - 5 copies