

AGREED BOARD ORDER NO. 13-02

LOUISVILLE METRO AIR POLLUTION CONTROL BOARD

Incident Nos. 06225 and 06311

This Order is issued by the Louisville Metro Air Pollution Control Board (Board) pursuant to Kentucky Revised Statutes Chapter 77 (Air Pollution Control). This Agreement is made by and between the Board and Louisville Gas and Electric Company (Company), a Kentucky corporation, and is effective on the date of its adoption by the Board.

COMPANY: Louisville Gas and Electric Company
220 West Main Street
Louisville, Kentucky 40202

REGULATIONS INVOLVED:

District Regulation 1.13: Control of Objectionable Odors in the Ambient Air
District Regulation 1.14: Control of Fugitive Particulate Emissions

NOTICE OF VIOLATION LETTER: No. 02369, dated July 10, 2012

BACKGROUND AND DISCUSSION:

Louisville Gas and Electric Company is a utility company that produces electricity at its Cane Run Generating Station in Jefferson County, Kentucky. Company mixes waste fly ash with waste sludge from the flue gas desulfurization units at the sludge processing plants and disposes of the waste material at its onsite landfill. The District alleges Company allowed visible emissions to cross its property line, and allowed objectionable odors to be emitted into the ambient air.

On February 15, 2012, Company reported an upset condition at sludge processing plant 4/5. Company stated the plant was operating with only one vacuum filter when filter cake struck a side-slip sensor on the conveyor, causing the conveyor to stop and no longer feed wet material into the pug mill mixer. The fly ash and lime feeders continued to operate, sending dry fly ash and lime through the system and onto the stacker pad. Company reviewed video footage of the event and determined that visible dust did cross the property line. Company has installed controls that will stop the dry feed if the wet feed stops, and has changed the switch to the stacker conveyor water spray system from a manual valve to an actuated valve.

Between January 26 and June 21, 2012, the District received 20 separate odor complaints concerning strong sulfur odors. On January 27, the District notified Company that it had received complaints regarding odors at the facility. On February 16, Company reported that it had not discovered the source of any odors. On March 14, the District observed a large crane

removing wet sludge from the emergency pond and placing it inside the open bed of a material hauling construction truck, creating objectionable odors. The District notified Company that it believed this to be a source of odors. On April 3, after receiving additional complaints, the District investigated and detected the same objectionable odors emitting from drainage ditches in front of the landfill that discharge into an emergency pond. On April 6, the District continued to detect odors near the landfill area. On April 26, Company notified the District that the odors were possibly caused by an increase in bacteria levels inside the pond due to warmer temperatures. Company notified the District that it will use chlorination, on a case-by-case basis and in compliance with applicable permits, as a supplemental odor control procedure for the pond and drainage ditches. Company has also agreed to comply with a plant-wide odor, fugitive dust, and maintenance emission control plan.

To fully address the violations of District Regulations 1.13 and 1.14 alleged above, the parties agree to this Order assessing against the Company an administrative settlement of \$10,500. On April 17, 2013, a public hearing was held before the Board on this proposed Order. Based upon the information presented at that hearing, the Board determines that the proposed resolution and requirements contained in this Order are reasonable under the circumstances.

NOW, THEREFORE BE IT ORDERED THAT:

1. Company shall pay \$10,500 to the Louisville Metro Air Pollution Control District by April 30, 2013.
2. Company shall comply with the "Plant-wide Odor, Fugitive Dust, and Maintenance Emissions Control Plan," dated February 13, 2013, at the Cane Run Generating Station.
3. Company has reviewed this Order and consents to all its requirements and terms. Company agrees to pay the cost of publishing legal notice of the public hearing.
4. In the event that it is necessary for the District to seek a court order to enforce this Order, Company agrees to pay filing fees and costs of such action.
5. This Order fully resolves the violations alleged in District Incident Nos. 06225 and 06311, and as alleged above in this Order.
6. Neither this Order nor the actions taken hereunder shall constitute an admission by Company of any wrongdoing regarding any of the matters referenced in this Order.

Louisville Metro Air Pollution Control Board

By: Robert W. Powell
Robert W. Powell, M.D.
Chairman

Date: Apr 17, 2013

Louisville Gas and Electric Company

By: Ralph Bowling
Ralph Bowling
Vice President, Power Generation

Date: 4/10/13

Louisville Metro Air Pollution Control District

By: Terri Phelps
Terri E. Phelps
Enforcement Manager

Date: 4-16-13

Approved as to form and legality:

By: Stacy Fritze Dott
Stacy Fritze Dott
Assistant County Attorney