

**AGREED BOARD ORDER NO. 13-07**

**LOUISVILLE METRO AIR POLLUTION CONTROL BOARD**

**Incident Nos. 06262, 06298, 06302, 06303, 06306, 06357, 06387, 06441, 06474, 06529**

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, KY 40202

**REGULATIONS INVOLVED:**

District Regulation 1.05: Compliance with Emission Standards and Maintenance Requirements  
District Regulation 1.07: Excess Emissions During Startups, Shutdowns, and Upset Conditions  
District Regulation 1.09: Prohibition of Air Pollution  
District Regulation 1.13: Control of Objectionable Odors in the Ambient Air  
District Regulation 1.14: Control of Fugitive Particulate Emissions  
District Regulation 7.08: Standards of Performance for New Process Operations

**NOTICE OF VIOLATION LETTERS:** No. 02369, dated July 10, 2012  
No. 02435, dated October 27, 2012  
No. 02505, dated June 5, 2013  
No. 02516, dated August 2, 2013

**BACKGROUND AND DISCUSSION:**

Louisville Gas and Electric Company is a utility 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 (SPP) and disposes of the waste material at its onsite landfill. Over the past two years, the Louisville Metro Air Pollution Control District (District) has issued four Notices of Violation (NOVs) to Company for alleged violations of District regulations.<sup>1</sup> In the NOVs, the District alleges that Company allowed visible particulate matter to become airborne beyond the property line, failed to take reasonable precautions to prevent particulate matter from becoming airborne beyond the work

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<sup>1</sup> Incidents 06225 and 06311 associated with NOV Letter 02369 were resolved in Agreed Board Order No. 13-02.

site, failed to notify and submit reports regarding an upset condition, exceeded its opacity limit, allowed an unpermitted discharge of fly ash from the SPP, failed to operate the SPP in a manner consistent with good air pollution control practices for minimizing emissions, and allowed objectionable odors to leave the work site.

- **Notice of Violation Letter 02369, dated July 10, 2012**

On March 21, 2012, Company failed to take reasonable precautions to prevent particulate matter from becoming airborne beyond the work site when a pipe elbow ruptured and released 406 pounds of fly ash into the atmosphere. On April 16, 2012, Company allowed visible particulate matter to become airborne beyond the work site. On April 20, 2012, Company allowed visible fugitive dust emissions from the ash landfill, an in-plant road, and the SPP to cross the property line. On April 28, 2012, Company allowed visible fugitive dust emissions to travel over the plant's property line into the residential neighborhood. On June 3, 2012, Company had an unpermitted release of 39 pounds of fly ash from the stack and exceeded the 20% opacity limit while balancing fans on Unit 5. Company failed to notify the District of the upset condition and failed to submit a report explaining steps taken to reduce the excess emissions during the event, as well as steps it would take to prevent or minimize similar events in the future. In July and August, 2012, Company submitted reports of the upset condition and committed to procedures to prevent or minimize similar events in the future.

- **Notice of Violation Letter 02435, dated October 27, 2012**

On September 13, 2012, Company failed to operate the SPP in a manner consistent with good air pollution control practices for minimizing excess emissions when the SPP experienced an equipment failure and the process was not shut off immediately, which created a large, thick cloud of dust around and drifting away from the SPP.

- **Notice of Violation Letter 02505, dated June 5, 2013**

From June through October 2012, the District received numerous citizen complaints and documented that Company failed to take reasonable precautions to prevent particulate matter from becoming airborne beyond the work site on eight days. From February through October 2012, the District received sixteen citizen complaints regarding excess dust on their property. The District documented through samples taken that Company had allowed visible fugitive emissions to cross the property line into the residential neighborhood. On February 8, 2013, Company allowed a discharge of fly ash and visible emissions to cross property line due to equipment failure.

- **Notice of Violation Letter 02516, dated August 2, 2013**

From June 2 through June 14, 2013, Company caused and allowed objectionable sulfur odors to leave the work site. The objectionable odors were present in the surrounding neighborhood, causing a nuisance to the residents and resulting in a large number of citizen complaints to the District.

To fully address the violations of District Regulations 1.05, 1.07, 1.09, 1.13, 1.14 and 7.08 alleged above, the parties agree to this Order assessing against Company an administrative settlement of \$113,250. Company has demonstrated compliance at the Cane Run Generating Station by submitting to the "Plant-wide Odor, Fugitive Dust, and Maintenance Emissions Control Plan," adopted by the Board on April 17, 2013, and revised August 9, 2013. Company has represented to the District that the Plan provides for reasonable precautions to be taken to prevent particulate matter from becoming airborne beyond the worksite in the future. On November 20, 2013, a public hearing was held before the Board on this proposed Order. Based upon the information presented at the hearing, the Board determines that the proposed resolution and requirements contained in this Order are reasonable and adequate under the circumstances.

NOW, THEREFORE BE IT ORDERED THAT:

1. Company shall pay \$113,250 to the Louisville Metro Air Pollution Control District by November 30, 2013.

2. Company shall comply with the "Plant-Wide Odor, Fugitive Dust, and Maintenance Emissions Control Plan" adopted by the Board on April 17, 2013, and as revised August 9, 2013. However, nothing shall prevent the District from initiating enforcement action to remedy any alleged violations of District regulations despite Company's compliance with the Plan.

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. 06262, 06298, 06302, 06303, 06306, 06357, 06387, 06441, 06474, and 06529, 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

Louisville Gas and Electric Company

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

By: Ralph Bowling  
Ralph Bowling  
Vice President, Power Generation

Date: Nov. 20, 2013

Date: 11-12-13

Louisville Metro Air Pollution Control District

By: Terri Phelps  
Terri E. Phelps  
Enforcement Manager

Date: 11-12-13

Approved as to form and legality:

By: Stacy Fritze Dott  
Stacy Fritze Dott  
Assistant County Attorney