

**AGREED BOARD ORDER NO. 16-01**

**LOUISVILLE METRO AIR POLLUTION CONTROL BOARD**

**Incident No. 06744**

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 2.16: Title V Operating Permits

**NOTICE OF VIOLATION LETTER:** No. 02634, dated November 18, 2015

**BACKGROUND AND DISCUSSION:**

Louisville Gas and Electric Company is a utility that produces electricity at its Mill Creek Generating Station in Jefferson County, Kentucky. On June 1, 2015, Company reported to the Louisville Metro Air Pollution Control District (District) that Unit 3 had exceeded its 0.10 lbs/MMBtu particulate matter limit, based on a three-hour rolling average limit. In a follow-up report, Company stated that the excess emissions were the result of a switchgear fire that caused the fans and precipitators to malfunction.

Company reported additional exceedances of the limit on June 3 and June 17, 2015. Company stated the exceedances stemmed from the switchgear fire and resulted in equipment failures and the clogging of the precipitator hoppers. The precipitators were inspected by Precipitator Services Group, repairs were made, and ash was cleaned from the electrodes, ductwork and all hoppers. Company also reported switchgears will be inspected with an infrared camera in the future to detect hot spots before they become fires.

On July 6, 2015, Company reported than an exceedance occurred again when bringing Unit 3 back online after being down for cleaning of the precipitator hoppers. Company reported that the emission rate spiked but corrected itself before a technician was able to investigate it.

The spike lasted about 28 minutes but was high enough to exceed the three-hour rolling average limit.

To fully address the violations of District Regulation 2.16 alleged above, the parties agree to this Order assessing against Company an administrative settlement of \$9,000. On January 20, 2016, 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 \$9,000 to the Louisville Metro Air Pollution Control District by January 20, 2016.

2. 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.

3. 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.

4. This Order fully resolves the violations alleged in District Incident No. 06744, and as alleged above in this Order.

5. 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, M.D.  
Robert W. Powell, M.D.  
Chairman

By: Ralph Bowling  
Ralph Bowling  
Vice President, Power Generation

Date: Feb 17, 2016

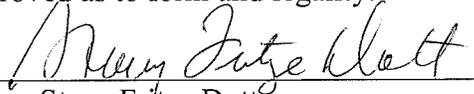
Date: 1/18/16

Louisville Metro Air Pollution Control District

By: Matt King  
Matt King, P.E.  
Compliance and Enforcement Manager

Date: 1/11/16

Approved as to form and legality:

By:   
Stacy Fritze Dott  
Assistant County Attorney