UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

January 7, 2011

OFFICE OF
SOLID WASTE AND
EMERGENCY RESPONSE

VIA E-MAIL AND FEDERAL EXPRESS

Ms. Pamela Faggert
Vice President & Chief Environmental Officer
Dominion Resources services
5000 Dominion Blvd.,
Glen Allen, Va. 23060

Dear Mr. Faggert,

On May 11, 2010 the United States Environmental Protection Agency ("EPA") and its engineering contractors conducted a coal combustion residual (CCR) site assessment at the Chesapeake Energy Center facility. The purpose of this visit was to assess the structural stability of the impoundments or other similar management units that contain “wet” handled CCRs. We thank you and your staff for your cooperation during the site visit. Subsequent to the site visit, EPA sent you a copy of the draft report evaluating the structural stability of the units at the Chesapeake Energy Center facility and requested that you submit comments on the factual accuracy of the draft report to EPA. Your comments were considered in the preparation of the final report.

The final report for the Chesapeake Energy Center facility is enclosed. This report includes a specific rating for each CCR management unit and recommendations and actions that our engineering contractors believe should be undertaken to ensure the stability of the CCR impoundment(s) located at the Chesapeake Energy Center facility. These recommendations are listed in Enclosure 2.

Since these recommendations relate to actions which could affect the structural stability of the CCR management units and, therefore, protection of human health and the environment, EPA believes their implementation should receive the highest priority. Therefore, we request that you inform us on how you intend to address each of the recommendations found in the final report. Your response should include specific plans and schedules for implementing each of the recommendations. If you will not implement a recommendation, please explain why. Please provide a response to this request by February 7, 2011. Please send your response to:

Mr. Stephen Hoffman
US Environmental Protection Agency (5304P)
1200 Pennsylvania Avenue, NW
Washington, DC 20460

If you are using overnight of hand delivery mail, please use the following address:

Mr. Stephen Hoffman
US Environmental Protection Agency
Two Potomac Yard
2733 S. Crystal Drive
5th Floor, N-237
Arlington, VA 22202-2733

You may also provide a response by e-mail to hoffman.stephen@epa.gov

You may assert a business confidentiality claim covering all or part of the information requested, in the manner described by 40 C. F. R. Part 2, Subpart B. Information covered by such a claim will be disclosed by EPA only to the extent and only by means of the procedures set forth in 40 C.F.R. Part 2, Subpart B. If no such claim accompanies the information when EPA receives it, the information may be made available to the public by EPA without further notice to you. If you wish EPA to treat any of your response as "confidential" you must so advise EPA when you submit your response.

EPA will be closely monitoring your progress in implementing the recommendations from these reports and could decide to take additional action if the circumstances warrant.

You should be aware that EPA will be posting the report for this facility on the Agency website shortly.

Given that the site visit related solely to structural stability of the management units, this report and its conclusions in no way relate to compliance with RCRA, CWA, or any other environmental law and are not intended to convey any position related to statutory or regulatory compliance.

Please be advised that providing false, fictitious, or fraudulent statements of representation may subject you to criminal penalties under 18 U.S.C. § 1001.

If you have any questions concerning this matter, please contact Mr. Hoffman in the Office of Resource Conservation and Recovery at (703) 308-8413. Thank you for your continued ongoing efforts to ensure protection of human health and the environment.

Sincerely,
/Suzanne Rudzinski/, Director
Office of Resource Conservation and Recovery

Enclosures

6.1. URGENT ACTION ITEMS

The recommendations in the Dominion Virginia Power - F&HE memorandum are considered to be urgent, i.e. require *immediate* attention to ensure the structural integrity of the impoundment in the near term. These items, noted in Section 3.1 of this report, should be completed in accordance with the time frame presented. NOTE – DVP reports that the survey and the conceptual design report are currently in progress.

6.2. LONG TERM IMPROVEMENTS

The deficient conditions observed during the inspection may not require immediate attention, but additional investigations/analyses and corrective actions should be implemented in the near future. The following items need to either continue to be undertaken or completed:

-Continue to observe and monitor the condition of the eastern and western embankment slopes as recommended by Schnabel until short and long term repairs are made**.** NOTE – DVP reports that daily observations of eastern and western embankments are being made.
-Conduct annual inspections and six year reporting per the VDCR requirements for regulated structures. NOTE – DVP reports that an annual inspection program has been implemented.

It is recommended that flood routing analyses be performed. As a potentially Low Hazard Dam, the facility should be able to safely pass the 100-year flood or an incremental analysis could be performed to demonstrate that the appropriate Spillway Design Flood (SDF) has a greater frequency than the 100-year event (with a minimum frequency of 50-years). Additional stability analyses, using SDF loading conditions, should also be performed. NOTE – DVP reports that the flood routing analyses are currently being performed.

6.3. MONITORING AND FUTURE INSPECTION

Dominion Virginia Power should temporarily continue to inspect the Bottom Ash and Sedimentation Pond on a daily basis. A schedule for more formal inspections to be performed, after the improvements to the structure are constructed, should be developed. It is recommended that the structure be inspected in accordance with VDCR requirements. NOTE – DVP reports that the annual inspection program referenced above was developed in accordance with VDCR requirements.

6.4. TIME FRAME FOR COMPLETION OF REPAIRS/IMPROVEMENTS

It is O'Brien & Gere's recommendation that Dominion Virginia Power follow the time frame for investigations, analyses and implementation of improvements presented in the Dominion Virginia Power – F&HE document. It is further suggested herein that Dominion Virginia Power begin the permitting process immediately upon selection of the rehabilitation method.