CORPORATE EHS SERVICES

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**Via E-Mail and Overnight Courier**

July 27, 2011

Mr. Stephen Hoffman
US Environmental Protection Agency
Two Potomac Yard
2733 S. Crystal Drive
5th Floor, N-5838
Arlington, VA 22202-2733

Re: Response to EPA letter regarding Dam Safety Assessment Report
Edwardsport Generating Station, Edwardsport, Indiana

Dear Mr. Hoffman:

Duke Energy Indiana (DEI) received a letter from Suzanne Rudzinski Director for the Office of RCRA of the United States Environmental Protection Agency (EPA) dated June 27, 2011 and the final report from O'Brien & Gere Engineers, Inc. (O'Brien & Gere) titled "Dam Safety Assessment of CCW Impoundments Edwardsport Plant." The site assessment was conducted on the Primary Ash Pond and Secondary Ash Pond by EPA's engineering contractors on August 9 and 10, 2010.

DEI supports the EPA's objective to ensure the safe operation and maintenance of Coal Combustion Residue (CCR) impoundments and is committed to meeting all state and federal requirements. Based on ongoing monitoring, maintenance and inspections, DEI is confident that the impoundments have the structural integrity necessary to protect the public and the environment.

Today's submittal is in response to the above referenced letter from EPA dated June 27, 2011. As outlined in EPA's letter the contractor did not have any urgent action items but did make recommendations for long term improvements.

As DEI discussed with EPA staff prior to the inspection, it is anticipated that by the fall of 2011, all CCR will be removed from the impoundments. At that time the Edwardsport impoundments will no longer be CCR impoundments. It is our expectation that at the time CCR removal has

been completed the EPA will remove the Edwardsport impoundments from its list of CCR impoundments.

O'Brien & Gere summarized DEI's efforts to remove all CCR material from the impoundments in Section 2 of the Dam Safety Assessment Report.

> *"The facility uses a double impoundment known as the Primary and Secondary Ash Ponds for [Coal Combustion Waste] CCW management. The CCW impoundment is undergoing staged abandonment which will be completed in 2011. The pond area will then no longer be used for CCW management. The Primary Ash Pond was drained and dewatered [and] CCW was being excavated and trucked offsite at the time of inspection for this assessment (August 2010). In addition, much of the upper 10 feet of the Primary Ash Pond containment dike had been removed to match the crest elevation of the smaller Secondary Ash Pond embankment. The remainder of the Primary dike crest will be lowered in the near future…"*

Although the impoundments will no longer contain CCR material in the near future, DEI plans to address the EPA recommendations for long term improvement as described in the attachment to this letter. However, as stated above, it is our expectation that the impoundment will be removed from the EPA list of CCR impoundments when the currently-ongoing CCR excavation is complete.

If you have any questions regarding these responses, comments, or need additional information please contact Owen Schwartz at 317-838-6027.

Sincerely,
Duke Energy Indiana

Jack L. Stultz
General Manager II Regulated Fossil Station
Edwardsport Generating Station

Attachment – DEI Response to EPA Recommendations

**Attachment – DEI response to EPA Recommendations**

### 6.1 Urgent Action Items

None

### 6.2 Long Term Improvement

The deficient conditions observed during the inspection do not require immediate attention, but should be implemented in the near future as part of a regular maintenance plan. The recommended maintenance/improvement actions and additional studies are as follows:

- Establish turf on the outboard slopes
- Repair the concrete apron retaining wall
- Re-grade the western toe swale to drain the ponded water

**DEI Response**

*Vegetation has been reestablished on the outboard slopes of the impoundment in the areas that were previously bare. DEI considers this item to be complete.*

*The concrete apron at the impoundment outfall will be inspected during CCR removal work at a time when no water is being discharged. This will occur when CCR removal from the Primary Ash Pond has been completed and water is diverted from the Secondary Ash Pond to allow CCR to be removed, creating a temporary zero discharge situation. Appropriate corrective action for the concrete apron will be determined by an engineer based on the inspection. DEI will complete this item by December 31, 2011.*

*DEI is investigating how to re-grade the western toe swale to drain the ponded water in a way that causes minimum impact to wildlife habitat. This item will be completed by December 31, 2011.*

### 6.3 Monitoring and Future inspection

Recommend Duke Energy's participation in any state inspections. Consideration should be given to development of an O&M plan that would establish a firm schedule for operations, maintenance, and inspection activities.

**DEI Response**

*DEI would participate in any state inspections.*

*As long as the impoundments contain CCR material they will be operated in accordance with Duke Energy's Fossil Impoundment Dam Inspection Program (FHGP-112). This recommendation is considered complete.*