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September 14, 2011

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

Dear Mr. Hoffman:

Subject: Recommendations from the Specific Site Assessment for Coal Combustion Waste (CCW) Impoundments at Intermountain Generating Station 850 West Brush Wellman Road, Delta, Utah 84624

The Los Angeles Department of Water & Power (LADWP), acting in its capacity as operating agent for the Intermountain Power Project, has received your July 28, 2011 letter regarding the recommendations made in the above referenced site assessment of the Intermountain Generating Station (IGS). We appreciate the opportunity the EPA is providing LADWP and IGS for an open dialog concerning these recommendations as evidenced by our telephone conference with you on September 7, 2011.

LADWP and IGS have diligently reviewed the assessment report and its recommendations. We appreciate the EPA's observations that the CCW embankments and impoundments are in good condition and their operations are adequate.

We have carefully considered the effectiveness of implementing the recommendations made in the site assessment report and make the following observations that are used as a basis in our decision-making:

- The CCW impoundments at IGS are lined with impermeable High Density Polyethylene (HDPE) liners that contribute to dike stability.
- As described in the site assessment report, the impoundments are considered "Low" hazard structures based on the low potential environmental impacts to the plant site and surrounding area.
- As demonstrated by over 25 years of service, the inspection, operation, and maintenance practices at the IGS have proven satisfactory with no issues as to dike stability.

- The IGS is remotely located in a rural setting, with impoundments placed well within a 4600 acre property.
- The IGS property is a zero discharge site, has no outfall to any waters of the U.S. and is not located near any sensitive receptors.
- Both the Bottom Ash Basin group and the Wastewater Holding Basin CCW impoundments are operated with at least three feet freeboard.
- In a 100 year 24-hour rain event, these pond levels will only rise two inches. (Note that in this arid area annual rainfall is only about seven to eight inches annually.)
- At maximum inlet flow over 24 hours during a 100 year rain event, a single Bottom Ash basin would receive just under 20 acre-feet from the rainfall and process inflow combined, and only rise about 10 inches.
- At maximum inlet flow over 24 hours during a 100 year rain event, the Wastewater Holding Basin would receive less than eight acre-feet from the rainfall and process inflow combined, and only rise about 4 inches.

Responses to Site Assessment Report Recommendations

Section 12.1 recommends a slope stability analysis (SSA). Pursuant to our conversation on September 7, 2011, IGS is proposing to perform a SSA allowing for site-specific conditions, such as existing liners.

Section 12.2 recommends to install settlement monuments along the perimeter dikes of the impoundments that receive wet coal combustion wastes. Based on our discussion, we agree to install monuments at an interval of 400 feet along the impoundment perimeter dikes and to monitor and conduct measurements on an annual basis.

Section 12.2 also recommends that high level alarms be installed and incorporated in the CCW impoundments. Each of these impoundments has a freeboard of three feet. As described above, the worst case combined inflow and rain event would cause the level of impoundments to rise about 10 inches in the Bottom Ash Basins and about 4 inches in the Waste Water Basins in a 24-hour period which is far less than the three feet of freeboard. This would not affect dike stability nor would there be any danger of overtopping any of these impoundments. As recommended and adopted in Section 12.3 below, daily inspections will discover any 24 hour event such that appropriate and immediate action to control the impoundment levels would be implemented prior to any threat. As a result, other additional monitoring and alarm systems would be redundant. At this time, IGS does not plan to install high level alarm systems.

Section 12.3 recommends enhanced inspections of the impoundments, improved documentation, and more responsive maintenance of minor embankment damage. As we discussed, IGS will implement these recommendations. We expect that these practices will be fully in place within 90 days of the date of this letter.

IGS will proceed with the SSA and monument installations once your office concurs with our proposed actions. We estimate that a SSA can be completed within 120 days and monuments can be installed within 180 days from the approval date.

In summary, LADWP and IGS believe that the operating record for the CCW impoundments has been effective. We agree that dike safety may be enhanced by implementing certain recommendations. Thank you for the opportunity to work with you and your agency during the evaluation of the impoundments at IGS. At your convenience, please contact me at (213) 367-0403 if you have any questions or comments.

Sincerely,

Mark J. Sedlacek

Mark J. Sedlacek
Director of Environmental Affairs

DQ:lr
Enclosure
c: Mr. Jon A. Finlinson, Intermountain Power Service Corporation
Mr. Blaine Ipson, IPSC
Mr. Rand Crafts, IPSC
Mr. Dat Quach