Mr. Steve Walsh
L'Anse Warden Electric Company, LLC
P.O. Box 695
White Pine, Michigan 49971

Dear Mr. Walsh:

VIOLATION NOTICE

On January 27, February 1, 4, and 7, 2016, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted an inspection and/or complaint investigations of L'Anse Warden Electric Company, LLC (LWEC) located at 157 South Main Street, L'Anse, Michigan. The purpose of these inspections was to determine LWEC's compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the administrative rules; the conditions of Renewable Operating Permit (ROP) number MI-ROP-B4260-2011; and to investigate several recent complaint which we received on January 25, 29 and 30, and February 1, 4, 5, 6 and 7, 2016, regarding fugitive dust, black smoke, and foul odors attributed to LWEC's operations.

During the inspection, staff observed the following:

<table>
<thead>
<tr>
<th>Process Description</th>
<th>Rule/Permit Condition Violated</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel conveyance equipment</td>
<td>Rules 336.1372, 336.1901, and ROP No. MI-ROP-B4260-2011, Table E-1.1 EU-FUEL, Special Condition No. III.2</td>
<td>Staff observed fugitive dust fallout in an area along North 4th Street, L'Anse, Michigan.</td>
</tr>
</tbody>
</table>

In the professional judgment of AQD staff, the dust fallout that were observed were of sufficient intensity, frequency and duration so as to constitute a violation of Rule 901.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by February 29, 2016 (which coincides with 21 calendar days from the date of this letter). The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence. 
If LWEC believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

Thank you for your attention to resolving the violations cited above and for the cooperation that was extended to me during my inspection of LWEC. If you have any questions regarding the violations or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,

Ed Lancaster
Senior Environmental Quality Analyst
Air Quality Division
906-250-5124

cc/via e-mail: Ms. Lynn Fiedler, DEQ
Ms. Teresa Seidel, DEQ
Ms. Heidi Hollenbach, DEQ
Mr. Thomas Hess, DEQ
Mr. Dan Maki, DEQ