



Catherine B. Templeton, Director

Promoting and protecting the health of the public and the environment

February 27, 2014

CERTIFIED MAIL 91-7108-2133-3939-6234-5597

Mr. Allen Stowe, Water Management
Duke Energy Corporation
P.O. Box 1006 Mail Code EC121
Charlotte, North Carolina, 28201-1006

Re: Notice of Violation 153497
Duke Energy/Lee Steam Station (Site)
NPDES Permit SC0002291
Anderson County

Dear Mr. Stowe:

A February 24, 2014 Department Site visit and a review of the file for the referenced facility has found Duke Energy Corporation to be in violation of the reporting and maintenance requirements of the NPDES Permit. Annual coal ash basin monitoring reports for the monitoring periods ending July 31, 2011, July 31, 2012 and July 31, 2013 were not submitted annually as required. The referenced reports were submitted electronically February 21, 2014. Department review of these reports as well as the Department's February 24, 2014 Site visit has revealed the following concerns:

1. All areas of the dams that are not armored against erosion must be protected by a well-established dense stand of short growing grass. The dam holding back the secondary ash basin has trees and other deleterious vegetation taking hold near the toe drain directly below where seepage is daylighting from the dam embankment and foundation. All woody vegetation must be removed from the dams.
2. Erosion must be repaired on the upstream slope of the secondary ash pond.
3. All equipment required for lowering the basin levels must be available and properly maintained.
4. Visible seepage was observed emerging from the toe of slope on the secondary ash basin. In order to address this concern, a South Carolina registered professional engineer must develop the plan to address the visible seepage. Any repairs to the dam will require a DHEC permit from the Dams and Reservoirs Safety Program.

5. It is unclear whether the annual inspections of the ash basins were performed by a SC-registered PE. This is a requirement per Part V.E.7.b(1) of the permit. Please address whether the inspections were done in accordance with this requirement.
6. The status of several recommendations from the previous annual inspection reports in 2010 (section 12.1) and 2011 (Section 5.0) indicates that not all recommendations have been completed. Please provide explanation as to why these items have not yet been performed and a schedule of implementation for completing any work.
7. The recommendations indicate that the upstream slopes on both ash basin dams need to be retrofitted with soil berms to increase safety factors. This does not appear to have been accomplished to date. How is Duke planning to address this issue and when?
8. Recommendations from previous inspections include monitoring the shoreline in both ash basins for erosion and repair as necessary. Were any repairs necessary and were these repairs performed?
9. What does rusting of the hoist pulley in the primary ash basin discharge tower affect? What is the pulley used for?
10. Divider Dike: The status of repairs to the animal path is incomplete in the table in Attachment 1 of the 2012 report. Burrowing animals must be removed and any damage that has occurred from their presence must be repaired.
11. Divider Dike: From a site visit on February 24, 2014, it appears that the drainage ditch south of the dam has been repaired to prevent erosion and short-circuiting of runoff into the secondary basin. Please confirm this as it relates to the comment on the bottom of Page 7 of the 2012 inspection report.
12. Recommendations from the 2010 EPA report show that the seepage monitoring plan is complete. What was included in this plan and what was done to implement it? We understand that the seepage results provided to the Department on February 21, 2014 are actually results of sampling the storm water outfalls beyond each toe drain. Is there any monitoring data for the seeps before mixing with other waters into the toe drain?
13. Please explain the piezometer water level readings and how it was determined that there are no changes or anomalies to note in the report. Also, ensure all piezometers are painted and correctly labeled and ensure they all have lid covers.

You are hereby notified that failure to comply with the reporting requirements of the NPDES Permit is a violation of the Pollution Control Act, S.C. Code Ann. 48-1-110(d) (2008) and Water Pollution Control Permits, 3 S.C. Code Ann. Regs. 61-9.122.41(1) (4) (2011). The violations make Duke Energy Corporation subject to further enforcement action, which may include assessment of civil penalties as set forth in the Pollution Control Act, S.C. Code Ann. 48-1-330 (2008).

You are requested to submit a written response within ten (10) days of receipt of this notice. Your response should include an explanation for the violations cited above and measures that have been or will be taken to ensure compliance with permit conditions as well as address the Department concerns noted above. This response will not relieve Duke Energy Corporation of responsibility for the violations cited.

If you have any questions concerning this notice, you may call me at 803-898-4233. I will be glad to assist you.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Trofater", written over the printed name.

Glenn Trofater
Water Pollution Control Division
Bureau of Water

cc: Chris McCluskey, Upstate Region, Anderson Office