



State of Ohio Environmental Protection Agency

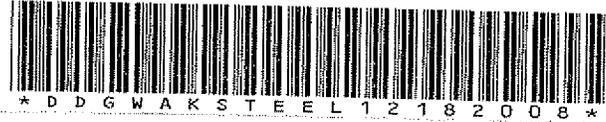
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AK Steel Corporation

12/18/2008



December 18, 2008

CERTIFIED MAIL

9171082133393109725879

Mr. Kurt Hileman  
AK Steel Corporation  
1801 Crawford Street  
Middletown, Ohio 45043

Re: 2008 Semi Annual Compliance Inspection – **NOTICE OF VIOLATIONS**

Dear Mr. Hileman:

On November 20, 2008, Ohio EPA conducted a Semi-Annual Compliance Inspection at AK Steel Corporation's Middletown Works and during the inspection of field equipment, Ohio EPA and AK Steel representatives observed that the Well Number 2 circle chart failed to recognize and record any flow while the well was brought on line to prepare for the warning and shutdown testing. Injection occurred for nearly thirteen (13) minutes until AK Steel personnel confirmed there was a problem and shut the well down. Upon investigation, field technicians checked the switches and wiring at the recently calibrated flow rate equipment and found no visible problems. The well was brought back on line to prepare for the test once again. This time the flow recorder was working, thus the Well Number 2 testing began and was successfully completed shortly thereafter.

Due to the failure of the flow meter and recorder as described above, AK Steel is being cited with the following four (4) violations:

Violation 1 – Failure to comply with Part II (D)(4) of the Well Number 2 UIC permit to operate: AK Steel failed to continuously record flow rate during the thirteen minutes of injection described above. AK Steel had no alternative method for recording the flow rate for the thirteen minutes as the only meter measuring flow was inoperable.

Violation 2 - Failure to comply with Part II (D)(4) of the Well Number 2 UIC permit to operate: AK Steel failed to continuously record injected volume during the thirteen

Ted Strickland, Governor  
Lee Fisher, Lieutenant Governor  
Chris Korleski, Director

minutes of injection described above. AK Steel was incapable of recording injected volume as the only recording device was inoperable.

Violation 3 – Failing to comply with Part II (D)(4)(a) of the Well Number 2 UIC permit to operate: Part II (D)(4)(a) states that: “where the permittee is unable to continuously monitor the required parameters, the permittee shall implement its deepwell Monitoring Contingency Plan provided in Attachment D”. This contingency plan, provided by AK Steel and approved by Ohio EPA with the UIC permits to operate issued on October 10, 2007, indicates that a flow rate transducer located at the well house will be the primary/continuous monitoring system for recording flow. If power to the well house transducer or to the flow rate chart recorder were to fail, the backup/auxiliary flow recordings would be taken at the magnetic flow meter in the acid plant. The events of the November 20<sup>th</sup> inspection demonstrated that AK Steel is using the magnetic flow meter in the acid plant as their primary recorder of flow rate. The well head based flow transducer was not installed and thus the only flow monitoring system is the magnetic flow meter which transmits a signal to the totalizer then to the flow circle chart. When this meter failed on November 20<sup>th</sup>, no backup system was in place thus leading to the discovery that the Contingency Monitoring Plan was not being and could not be followed because the necessary equipment as represented in that plan is not in place.

Violation 4 - OAC Rule 3745-34-26 (E) “Proper Operation and Maintenance” also states: *“The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of the permit. “Proper operation and maintenance” includes effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate quality assurance procedures. **This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of the permit.**”*

Since AK steel never installed the well head based transducer to measure flow rate they were instead relying on the backup flow meter in the acid plant as their primary recording device in violation of this rule.

Ohio EPA understands that AK Steel did provide an advance notice of non-compliance for the well testing that was to occur on November 20, 2008. However, OAC Rule 3745-34-26 (F) states that the filing of a notification of planned changes or anticipated noncompliance, does not stay any permit condition. Considering flow rate was not a parameter of the warning and shutdown test, it will not be exempted from compliance.

To return to compliance with the above violations, AK Steel shall within thirty days of receiving this communication install the flow rate transducer in the well house as described by their approved permit to operate and shall submit documentation that the device was installed and is operating properly. AK Steel shall also document that actions have been taken to ensure that in the event of future equipment failures, back up/auxiliary equipment, per OAC Rule 3745-34-26 will be in place that conform to the procedures set forth in the Contingency Monitoring Plan of Attachment D of the UIC Permits to Operate.

In addition to the violations, AK Steel indicated during the inspection that plant personnel are not continuously within the control room where the recording devices are located for the injection wells. AK Steel indicated that personnel during regular rounds will note about every two hours if the recording devices are functioning. Since there is no safety in place that would trigger an alarm should the flow meter fail to record, there is the possibility that a failure in a mandatory continuous recording device would go unnoticed for more than fifteen minutes. Since AK Steel's contingency plan requires that in the event of a failure that manual readings will be taken every fifteen minutes, current operational practices by AK Steel could lead to multiple violations of the contingency plan should a recording device fail. Ohio EPA recommends that AK Steel install an alarm system that would alert plant personnel should such a failure in the recording devices occur in order to prevent a violation.

Should you have any questions regarding this Notice of Violation, please contact Jess Stottsberry of my staff at (614) 644-2752.

Sincerely,



Lindsay C. Taliaferro III

UIC Manager

Division of Drinking and Ground Waters

cc: Andrea Salimbene, Ohio AGO's Office  
Kim Rhoads, Legal  
Jess Stottsberry, UIC Unit Geologist, DDAGW