

OHIO E.P.A.

BEFORE THE

AUG 27 2012

OHIO ENVIRONMENTAL PROTECTION AGENCY

ENTERED DIRECTOR'S JOURNAL
In the Matter of:

AK Steel Corporation : Director's Final Findings
108 Crawford Street : and Orders
Middletown, Ohio 45043-0001 :

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to AK Steel Corporation ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of Respondent or of Respondent's Facility (as hereinafter defined) shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3704 and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA makes the following findings:

1. Respondent owns and operates, among other things, a coke oven battery at their Middletown Works Facility located at 1801 Crawford Street, Middletown, Ohio (Butler County). The Respondent identifies the coke oven battery as the Wilputte Battery – Number 2 Coke Plant. The Wilputte Battery is identified by Ohio EPA as emissions unit B918 under the facility identification 1409010006.

2. The Southwest Ohio Air Quality Agency (SWOAQA) is the contractual agent for Ohio EPA in Butler County for the administration of Ohio's air pollution control rules and laws.

3. The particulate emissions from the Wilputte Battery are, in part, subject to the visible particulate emission limitations listed in OAC rule 3745-17-07(Control of visible particulate emissions from stationary sources). Except as authorized by the rule, OAC rule 3745-17-07(A)(1)(a) limits the opacity of the visible particulate emissions from an air contaminant source stack to 20% as a 6-minute average.

4. On December 21, 2010, February 15, 2011, and June 30, 2011, SWOAQA conducted visible particulate emissions observations on the combustion stack of the Wilputte Battery in accordance with 40 CFR Part 60, Appendix A, Method 9. The visible particulate emissions observations documented exceedances of the 20% opacity as a 6-minute average limitation specified in OAC rule 3745-17-07(A)(1)(a). On January 5, 2011 and February 17, 2011, SWOAQA issued Notices of Violation to AK Steel for the violations of the visible particulate emission limitation documented on December 21, 2010 and February 15, 2011, respectively. U.S. EPA, Region 5 requested SWOAQA to provide them with the observation data for the violation of the visible particulate emission limitation documented on June 30, 2011. On August 3, 2011, U.S. EPA, Region 5 issued a Finding of Violation to AK Steel for the violation of the visible particulate emission limitation documented on June 30, 2011.

5. OAC rule 3745-17-07(C) contains a provision that allows an air contaminant source subject to a mass-based, particulate emission limitation to establish an equivalent visible particulate emission limitation (EVEL) if the following conditions are satisfied: (1) the EVEL is established during emission tests that meet the requirements specified in OAC rule 3745-17-03(B); (2) the emission test results demonstrate compliance with the mass-based, particulate emission limitation applicable to the source; and (3) that the air contaminant source and any associated air pollution control equipment are operated and maintained in a manner that minimizes the opacity of the particulate emissions during the emission tests.

6. On October 27, 2011, the Ohio EPA and SWOAQA met with representatives of AK Steel to discuss the possibility of establishing an EVEL for the Wilputte Battery combustion stack pursuant to OAC rule 3745-17-07(C) and Ohio EPA Engineering Guide #13.

7. On November 11, 2011, AK Steel submitted correspondence to Ohio EPA which addressed concerns regarding emission testing approaches and practices to minimize the opacity of the visible particulate emissions which were raised by Ohio EPA during the October 27, 2011 meeting.

8. On December 15, 2011, AK Steel submitted correspondence to SWOAQA which included an Intent to Test Notification form and protocol for conducting the particulate emission tests and visible particulate emission observations needed to determine if an EVEL would be appropriate for the Wilputte Battery combustion stack.

The proposed test date was January 18, 2012, with a contingency date of January 19, 2012.

9. On February 10, 2012, AK Steel submitted the emission test report for the particulate emission tests and visible particulate emission observations conducted on the Wilputte Battery combustion stack on January 18 and 19, 2012. The on-site test observations and emission test report results documented that (1) the particulate emission tests met the requirements specified in OAC rule 3745-17-03(B); (2) the emission test results demonstrated compliance with the mass-based, particulate emission limitation applicable to the source (0.18 pound per million Btu of actual heat input); (3) that the air contaminant source was operated and maintained in a manner that minimized the opacity of the particulate emissions during the emission tests; and (4) that a 6-minute average opacity value of 45% was derived from the data reduction procedures specified in Ohio EPA Engineering Guide #13.

10. On April 27, 2012, based upon the aforementioned test results and the provisions of OAC rule 3745-17-07(C)(2), the Ohio EPA sent a letter to AK Steel notifying them that they may request the Director to establish an EVEL for the Wilputte Battery combustion stack.

11. On May 2, 2012, AK Steel sent a written request to the Director to establish an EVEL for the Wilputte Coke Battery combustion stack pursuant to the procedures listed in OAC rule 3745-17-07(C).

12. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and their relation to benefits to the people of the State to be derived from such compliance.

V. ORDERS

The Director hereby issues the following Orders:

1. Upon the effective date of these Orders, and until such time as the newly established EVEL can be incorporated into the Respondent's Title V operating permit, the visible particulate emission limitation for the combustion stack serving emissions unit B918 shall be 45% opacity as a 6-minute average.

VI. TERMINATION

These Orders shall terminate upon issuance of the final Respondent's Title V operating permit that incorporates the newly established EVEL for emissions unit B918.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, operations by Respondent.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, State and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Southwest Ohio Air Quality Agency
250 William Howard Taft
Cincinnati, Ohio 45219
Attn: Brad Miller

and to:

Ohio Environmental Protection Agency
Division of Air Pollution Control
50 West Town Street, Suite 700
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Bruce Weinberg

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specifically waived in Section XII of these Orders.

XII. WAIVER

Ohio EPA and Respondent agree that these Orders are lawful and reasonable.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XIII. EFFECTIVE DATE

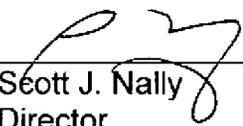
The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

ORDERED AND AGREED:

Ohio Environmental Protection Agency



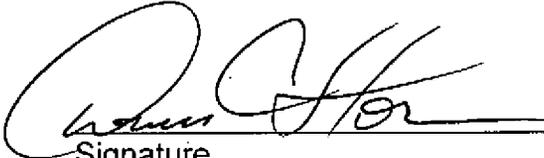
Scott J. Nally
Director

8/14/12

Date

AGREED:

AK Steel Corporation



Signature

8/6/12

Date

Dwight C. Heer

Printed or Typed Name

Exec. V.P., G.C. & Sec.

Title