Indiana Department of Labor
Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979 Fax: 317/233-8509

Certified mail # 7003 1010 0003 5732 6266 1-30-13 jto

Safety Order and Notification of Penalty

To:

SSI Services, LLC,
and its successors
308 South State Avenue
Indianapolis, IN 46201

Inspection Site:

3700 South Harding Street
(IPL Harding Street Generating Station)
Indianapolis, IN 46217

Inspection Number: 316485101

Inspection Date(s): 08/09/2012 - 01/16/2013

Issuance Date: 01/30/2013

The violation(s) described in this Safety Order and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

An inspection of your place of employment has revealed conditions which we believe do not comply with the provisions of the Indiana Occupational Safety and Health Act (Indiana Code Chapter 22-8-1.1) or the standards or rules adopted thereunder. Accordingly, enclosed please find safety order(s) and notification(s) of penalty describing such violation(s) with references to applicable standards, rules, or provisions of the statute and stating the amount of any penalty(ies).

Informal Conference - Please be advised that it may be possible to informally settle any potential dispute without initiating the more elaborate proceedings brought on by a petition for review. Prior to filing a petition for review, you may request an informal conference concerning any of the results of the inspection (safety orders, penalties, abatement dates, etc.) by contacting the Indiana Department of Labor/IOSHA, preferably by telephone, in a prompt manner. Please be advised that a request for an informal conference cannot extend the fifteen working day period for filing a petition for review. Informal conferences frequently resolve any possible disputes, and therefore you are urged to take advantage of this opportunity. Because of the limited time period and in order to facilitate scheduling, any requests for an informal conference should be made promptly upon your receipt of the safety order(s) and notification(s) of penalty.

Right to Contest - You are hereby also notified that you are entitled to seek administrative review of the safety order(s), penalty(ies), or both by filing a written petition for review at the above address postmarked within fifteen working days of your receipt of the safety order(s) and notification(s) of penalty. ("Working days" means

Mondays through Fridays, but does not include Saturdays, Sundays, legal holidays under a state statute or days on which the Indiana Department of Labor's offices are closed during regular business hours). If you do not file such a petition for review (contest), the safety order(s) and penalty(ies) shall be deemed final orders of the Board of Safety Review and not subject to review by any court or agency. The issuance of a safety order does not constitute a finding that a violation has occurred unless no petition for review is filed, or if a petition for review (contest) is filed, it must contain a statement of its basis and should reference the above inspection number. Upon receipt of your petition for review, we will affirm, amend or dismiss the safety order(s) and notification(s) of penalty. If we affirm, your petition for review will be granted (unless it was not timely) and the dispute will be certified by the Board of Safety Review for further proceedings. The Board of Safety Review is an independent agency appointed by the governor with authority to conduct hearings and to issue decisions concerning disputed safety order(s) and notification(s) of penalty. If we amend the safety order(s) or notification(s) of penalty, your petition for review shall be deemed moot. However, you will then be given an opportunity to file a petition for review concerning the amended safety order(s) and notification(s) of penalty.

Please be advised that an employee or representative of employees may file a petition for review to contest the reasonableness of the time stated in the safety order(s) for the abatement of any violation.

Posting - Upon receipt of any safety order(s) you are required to post such safety order(s), or a copy thereof, unedited, at or near each place an alleged violation referred to in the safety order(s) occurred. However, if your operations are such that it is not practicable to post the safety order(s) at or near each place of alleged violation, such safety order(s) shall be posted, unedited, in a prominent place where it will be readily observable by all affected employees. For example, if you are engaged in activities which are physically dispersed, the safety order(s) may be posted at the location from which the employees operate to carry out their activities. You must take steps to ensure that the safety order is not altered, defaced, or covered by other material. Posting shall be until the violation is abated, or for three working days, whichever is longer.

Penalties - Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Abatement does not constitute payment of penalties.

Abatement - The conditions cited in the safety order(s) must be corrected (abated) on or before the date shown for each item on the safety order(s) and notification(s) of penalty unless:

(1) You file a petition for review concerning the violation, in which case the full abatement period shall commence from the issuance of a final decision by the Board of Safety Review or the courts which requires compliance with the safety order; or

(2) The abatement period is extended by the granting of a petition for modification of abatement date.

PMAs - The petition for modification of abatement date is a manner in which you may seek additional time to correct (abate) a violation without having to file a petition for review concerning the safety order, or after the expiration of the time period to file such a petition for review when it becomes apparent that you need extra time to abate the violation. A petition for modification of abatement date shall be in writing and shall include the following information:

(1) All steps you have taken, and the dates of such actions, in an effort to achieve compliance during the prescribed abatement period.

(2) The specific additional abatement time necessary in order to achieve compliance.

(3) The reasons such additional time is necessary, including the unavailability of professional or technical personnel or of materials and equipment, or because necessary construction or alteration of facilities cannot be completed by the original abatement date.

(4) All available interim steps being taken to safeguard employees against the cited hazard during the abatement period.

(5) A certification that a copy of the petition has been posted, and if appropriate, served on the authorized representative of affected employees, and a certification of the date upon which such posting and service was made.

A petition for modification of abatement date shall be filed with the Indiana Department of Labor/IOSHA no later than the close of the next working day following the date on which abatement was originally required. A later-filed petition shall be accompanied by the employer's statement of exceptional circumstances explaining the delay. A copy of such petition shall be posted in a conspicuous place where all affected employees will have notice thereof or near such location where the violation occurred. The petition shall remain posted until the time period for the filing of a petition for review of the Commissioner's granting or denying the petition expires. Where affected employees are represented by an authorized representative, said representative shall be served a copy of such petition.

Notification of Corrective Action - Correction of the alleged violations which have an abatement period of thirty (30) days or less should be reported in writing to us promptly upon correction. A "Letter of Abatement" form and an "Abatement Photographs" worksheet are enclosed for your assistance in providing adequate documentation of abatement. Reports of corrections should show specific corrective action on each alleged violation and the date of such action. On alleged violations with abatement periods of more than thirty (30) days, a written progress report should be submitted, detailing what has been done, what remains to be done, and the time needed to fully abate each such violation. When the alleged violation is fully abated, we should be so advised. Timely correction of an alleged violation does not affect the initial proposed penalty.

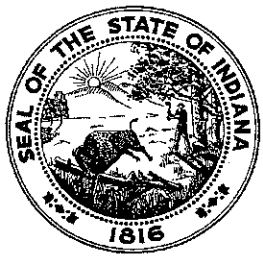
Followup Inspections - Please be advised that a followup inspection may be made for the purpose of ascertaining that you have posted the safety order(s) and corrected the alleged violations. Failure to correct an alleged violation may result in additional penalties for each day that the violation has not been corrected.

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the Indiana Department of Labor/IOSHA at the address shown above.

Notice to Employees - The law gives an employee or his/her representative the opportunity to object to any

abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the Indiana Department of Labor/IOSHA at the address shown above within fifteen (15) working days (excluding weekends and State holidays) or receipt by the employer of this safety order and penalty.

If you wish additional information, you may direct such requests to us at the address or telephone number stated above.



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with IOSHA to discuss the safety order(s) issued on 01/30/2013. The conference will be held at the IOSHA office located at 402 West Washington Street, Room W195, Indianapolis, IN 46204 on _____ at _____. Employees and/or representatives of employees have a right to attend an informal conference.

Indiana Department of Labor

Indiana Occupational Safety and Health Administration

Inspection Number:	316485101
Inspection Dates:	08/09/2012 - 01/16/2013
Issuance Date:	01/30/2013

Safety Order and Notification of Penalty

Company Name: SSI Services, LLC

Inspection Site: 3700 South Harding Street, (IPL Harding Street Generating Station), Indianapolis, IN 46217

Safety Order 1 Item 1 Type of Violation: **Serious**

IC 22-8-1.1, Section 2: The employer did not establish and maintain conditions of work which were reasonably safe and healthful for employees, and free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that employees were exposed to potential fire, deflagration and/or explosion hazards caused by the dispersion of combustible dust(s) through the usage of compressed air inside of machinery and/or equipment:

Indianapolis Power & Light Company, Harding Street Generating Station - On or about August 6-7, 2012, employees used a series of galvanized steel vacuum hoses to convey coal dust/powder, a Class II Group F combustible dust, from the inside of the Unit 7 Pulverizers (Mills) to a Guzzler Model XS4816TC Vacuum Truck. While performing these cleaning operations, employees used compressed air to blow the coal dust/powder off of the various horizontal and vertical surfaces located inside of the mills and into the vacuum hose. The use of compressed air for cleaning and/or removing coal dust/powder could cause significant amounts of coal dust/powder to be dispersed and suspended throughout the inside of the mills, which could potentially lead to flash fires, deflagrations and/or explosions.

Among other methods, one feasible and acceptable method to correct this hazard is to develop and implement a written procedure for using compressed air to clean and remove coal dust/powder from the inside of enclosed coal pulverizers (mills). This procedure should follow all of the applicable requirements listed in Section 8.2.2 of the National Fire Protection Association's (NFPA) *Standard for the Prevention of Fire and Dust Explosions from the Manufacturing, Processing, and Handling of Combustible Particulate Solids* (NFPA 654-2013). Section 8.2.2.4 of NFPA 654-2013 states that "blow-downs using compressed air or steam shall be permitted to be used for cleaning inaccessible surfaces or surfaces where other methods of cleaning result in a greater personal safety risk. Where blow-down using compressed air is used, the following precautions shall be followed:

(1) Vacuuming, sweeping, or water wash-down methods are first used to clean surfaces that can be safely accessed prior to using compressed air.

(2) Dust accumulations in the area after vacuuming, sweeping, or water wash-down do not exceed the threshold dust accumulation.

(3) Compressed air hoses are equipped with pressure relief nozzles limiting the discharge gauge pressure to 30 psi (207 kPa) in accordance with the OSHA requirements in 29 CFR 1910.242(b), "Hand and Portable Power Tools and Equipment, General."

(4) All electrical equipment potentially exposed to airborne dust in the area meets, as a minimum, the requirements of NFPA 70, *National Electrical Code*, NEMA 12 as defined by NEMA 250: or the equivalent.

(5) All ignition sources and hot surfaces capable of igniting a dust cloud or dust layer are shut down or removed from the area."

Date By Which Violation Must be Abated: **02/26/2013**

Proposed Penalty: **$4,900.00**

Indiana Department of Labor

Indiana Occupational Safety and Health Administration

Inspection Number: 316485101
Inspection Dates: 08/09/2012 - 01/16/2013
Issuance Date: 01/30/2013

Safety Order and Notification of Penalty

Company Name: SSI Services, LLC
Inspection Site: 3700 South Harding Street, (IPL Harding Street Generating Station), Indianapolis, IN 46217

Safety Order 1 Item 2 Type of Violation: **Serious**

IC 22-8-1.1, Section 2: The employer did not establish and maintain conditions of work which were reasonably safe and healthful for employees, and free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that employees were exposed to potential deflagration and/or explosion hazards because dust collection equipment and/or components that conveyed and collected combustible dust(s) were not designed to prevent or minimize the damage that could potentially occur during a dust deflagration and/or explosion:

Indianapolis Power & Light Company, Harding Street Generating Station - On or about August 6-7, 2012, employees used a series of galvanized steel vacuum hoses to convey coal dust/powder, a Class II Group F combustible dust, from the inside of the Unit 7 Pulverizers (Mills) to a dust collection system located on a Guzzler Model XS4816TC Vacuum Truck. The dust collection system on the Guzzler Model XS4816TC Vacuum Truck was comprised of components such as, but not limited to, a cyclonic separator (cyclone) followed by a baghouse. Neither the cyclone nor the baghouse were equipped with explosion protection such as, but not limited to: explosion (deflagration) venting, deflagration suppression systems or flame-arresting devices. If a deflagration and/or explosion occurred inside of either the cyclone or the baghouse, either of these dust collectors (air-material separators) could potentially violently explode because they were not designed to minimize the damage that could occur during the deflagration and/or explosion.

Among other methods, one feasible and acceptable method to correct this hazard is to protect the cyclonic separator (cyclone) and baghouse in accordance with Section 7.13.1.2.2 of the National Fire Protection Association's (NFPA) *Standard for the Prevention of Fire and Dust Explosions from the Manufacturing, Processing, and Handling of Combustible Particulate Solids* (NFPA 654-2013). Section 7.13.1.2.2 of NFPA 654-2013 states that "where an explosion hazard exists, air-material separators shall be protected in accordance with 7.1.4." Section 7.1.4.1 of NFPA 654-2013 states that "the design of explosion protection for equipment shall incorporate one or more of the following methods of protection:

(1) Oxidant concentration reduction in accordance with NFPA 69, *Standard on Explosion Prevention Systems*
  (a) Where oxygen monitoring is used, it shall be installed in accordance with ISA 84.00.01, *Functional Safety: Application of Safety Instrumented Systems for the Process Industry Sector.*
  (b) Where the chemical properties of the material being conveyed require a minimum concentration of oxygen to control pyrophoricity, that level of concentration shall be maintained.

(2) Deflagration venting in accordance with NFPA 68, *Standard on Explosion Protection by Deflagration Venting*

(3) Deflagration pressure containment in accordance with NFPA 69, *Standard on Explosion Prevention Systems*

(4) Deflagration suppression systems in accordance with NFPA 69, *Standard on Explosion Prevention Systems*

(5) Dilution with a noncombustible dust to render the mixture noncombustible (See 7.1.4.2.)
(6) Deflagration venting through a listed dust retention and flame-arresting device."

Date By Which Violation Must be Abated: **02/26/2013**
Proposed Penalty: **$4,900.00**

Indiana Department of Labor

Indiana Occupational Safety and Health Administration

Inspection Number: 316485101
Inspection Dates: 08/09/2012 - 01/16/2013
Issuance Date: 01/30/2013

Safety Order and Notification of Penalty

Company Name: SSI Services, LLC
Inspection Site: 3700 South Harding Street, (IPL Harding Street Generating Station), Indianapolis, IN 46217

The alleged violations below have been grouped because they involve similar or related hazards that may increase the potential for illness or injury resulting from an accident.

Safety Order 1 Item 3a Type of Violation: **Serious**

29 CFR 1910.132(a): Protective equipment was not used when necessary whenever hazards capable of causing injury and impairment were encountered:

Indianapolis Power & Light Company, Harding Street Generating Station - On or about August 6-7, 2012, employees who used a series of galvanized steel vacuum hoses to convey coal dust/powder, a Class II Group F combustible dust, from the inside of the Unit 7 Pulverizers (Mills) to a Guzzler Model XS4816TC Vacuum Truck were not required and did not wear flame-resistant clothing (FRC) or flame-resistant garments (FRGs).

ABATEMENT NOTE: Any flame-resistant clothing (FRC) or flame-resistant garments (FRGs) purchased or used by the employer should meet all applicable requirements listed in the National Fire Protection Association's (NFPA) *Standard on Flame-Resistant Garments for Protection of Industrial Personnel Against Flash Fire* (NFPA 2112-2012).

Date By Which Violation Must be Abated: **02/26/2013**
Proposed Penalty: **$4,900.00**

Safety Order 1 Item 3b Type of Violation: **Serious**

29 CFR 1910.132(d)(1): The employer did not assess the workplace to determine if hazards were present, or were likely to be present, which necessitated the use of personal protective equipment (PPE):

Indianapolis Power & Light Company, Harding Street Generating Station - The Personal Protective Equipment (PPE) Hazard Assessment for the cleaning operations performed inside of the Unit 7 Pulverizers (Mills) did not specifically state what types of PPE were required to be worn. The PPE Hazard Assessment also did not specifically address why PPE was needed and when PPE was required to be worn. The PPE Hazard Assessment also did not discuss the potential flash fire, deflagration and explosion hazards created by coal dust/powder, a Class II Group F combustible dust.

Date By Which Violation Must be Abated: **02/26/2013**

Indiana Department of Labor

Indiana Occupational Safety and Health Administration

Inspection Number: 316485101
Inspection Dates: 08/09/2012 - 01/16/2013
Issuance Date: 01/30/2013

Safety Order and Notification of Penalty

Company Name: SSI Services, LLC
Inspection Site: 3700 South Harding Street, (IPL Harding Street Generating Station), Indianapolis, IN 46217

Safety Order 2 Item 1 Type of Violation: **Knowing**

IC 22-8-1.1, Section 2: The employer did not establish and maintain conditions of work which were reasonably safe and healthful for employees, and free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that employees were exposed to potential fire, deflagration and/or explosion hazards caused by inadequate control of sources of ignition such as, but not limited to, static electricity:

Indianapolis Power & Light Company, Harding Street Generating Station - On or about August 6-7, 2012, employees used a series of galvanized steel vacuum hoses to convey coal dust/powder, a Class II Group F combustible dust, from the inside of the Unit 7 Pulverizers (Mills) to a Guzzler Model XS4816TC Vacuum Truck. Prior to cleaning operations commencing inside of the Unit 7 Mills, employees did not test or verify that all of the conductive components (hoses, etc.) on and attached to the vacuum truck were effectively bonded and grounded. Although the vacuum truck was grounded, employees did not test or verify that the continuity of the grounding path was sufficient and continuous. Employees also did not test or verify that the vacuum hoses, which were connected together using a combination of raincoats and/or Tyvex suits and significant quantities of duct tape, were effectively bonded together. The ineffectively grounded and bonded vacuum truck and its components (hoses, etc.) could potentially allow a static electric charge(s) to accumulate while collecting, removing and conveying the coal dust from the mills to the dust collection system on the vacuum truck. The stored static electric charge produced while collecting, removing and conveying the coal dust could potentially ignite any settled or moving coal dust/powder inside of the vacuum hoses or other enclosed structures (mills, vacuum truck, etc.).

Among other methods, one feasible and acceptable method to correct this hazard is to follow the requirements listed in the National Fire Protection Association's (NFPA) *Standard for the Prevention of Fire and Dust Explosions from the Manufacturing, Processing, and Handling of Combustible Particulate Solids* (NFPA 654-2013). Section 8.2.3 of NFPA 654-2013 states that "portable vacuum cleaners that meet the following minimum requirements shall be permitted to be used to collect combustible particulate solids:

(1) Materials of construction shall comply with 7.13.2 and 9.3.2.
(2) Hoses shall be conductive or static dissipative.
(3) All conductive components, including wands and attachments, shall be bonded and grounded.
(4) Dust-laden air shall not pass through the fan or blower.
(5) Electrical motors shall not be in the dust laden air stream unless listed for Class II, Division 1 locations.
(6) When liquids or wet material are picked up by the vacuum cleaner, paper filter elements shall not be used.
(7) Vacuum cleaners used for metal dusts shall meet the requirements of NFPA 484, *Standard for Combustible Metals*."

Annex A (A.8.3.2.1) of NFPA 654-2013 states that "these requirements for portable vacuum cleaners should be

applied to the use of vacuum trucks for combustible dust as well." Information on controlling the hazards associated with the generation, accumulation and discharge of static electricity can also be found in NFPA's *Recommended Practice on Static Electricity* (NFPA 77-2007).

Date By Which Violation Must be Abated: **02/26/2013**
Proposed Penalty: **$56,000.00**

Julie C. Alexander J.D.
Director, Industrial Compliance

Indiana Department of Labor
Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979 Fax: 317/233-8509

INVOICE/DEBT COLLECTION NOTICE

Company Name: SSI Services, LLC
Inspection Site: 3700 South Harding Street, (IPL Harding Street Generating Station), Indianapolis, IN 46217
Issuance Date: 01/30/2013

Summary of Penalties for Inspection Number 316485101

Safety Order 01, Serious	=	$14,700.00
Safety Order 02, Knowing	=	$56,000.00
Total Proposed Penalties		$70,700.00

Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Make your check or money order payable to: "Indiana DOL/IOSHA". Please indicate IOSHA's Inspection Number (indicated above) on the remittance.

IOSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Corrective action, taken by you for each alleged violation should be submitted to this office on or about the abatement dates indicated on the Safety Order and Notification of Penalty.

A work sheet has been provided to assist in providing the required abatement information. A completed copy of this work sheet should be posted at the worksite with the safety order(s).

J Alexander 1/30/2013

Julie C. Alexander J.D. Date
Director, Industrial Compliance