

SETTLEMENT AGREEMENT

The Commissioner of Labor (hereinafter referred to as "Commissioner") and Indianapolis Power & Light Company, (hereinafter referred to as "Employer") hereby agree as follows:

PART I

The Commissioner amends the Safety Order(s) and Notification(s) of Penalty, IOSHA Inspection No. 315870717 and issued to the Employer on January 30, 2013 in the following manner:

SAFETY ORDER 01:

- Item 1a: Deleted.
Item 1b: Citation is revised as stated below with the Penalty of \$20,000

29 CFR 1910.269(v)(11)(xii): Where coal handling operations produced a combustible atmosphere from fuel sources or from flammable gases or dust, sources of ignition were not eliminated or safely controlled to prevent ignition of the combustible atmosphere:

Unit 7 (Harding Street Generating Station) – Due to a mechanical failure that occurred on one of the Induced Draft (ID) fans on or about August 6, 2012, Unit 7 tripped while it was running at full load. When Unit 7 tripped, all five of the Unit 7 Pulverizers (Mills) also tripped and were shut down while they were partially full of coal dust/powder, a Class II group F combustible dust. Prior to and during the cleaning operations, the employer did not adequately verify that any potential sources of ignition were properly isolated from combustible dust that remained in the mills after the mills were shut down as a result of the Unit 7 trip. Conditions could arise inside a mill that was tripped under load that could potentially cause coal dust deflagrations and/or explosions to occur inside of the mills during cleaning operations and/or prior to the mills being brought back online (i.e. start-up operations).

Respondent agrees to performing the following:

1. Develop an SOP(s), that manages the means for positive isolation between the furnace and pulverizers in order to avoid the introduction of sources of ignition when the mill is open. Or in the alternative, develop SOPs for the starting and stopping of pulverizers, sweeping/vacuuming loaded pulverizers, and clearing pulverizers.
2. Update applicable contractor agreements to include the requirement of contractors to include wearing Flame Retardant Clothes (FRCs) when performing tasks that the contractor determines potentially expose its workers to risk of combustible dust related flash fires and/or deflagrations.
3. Revise existing contractor applicable terms and conditions to include the requirement of bonding and grounding of all contractor equipment that can create an energy conduit related to combustible dust.
4. Develop contractor safety terms and conditions to remind employees and contractors that the use of compressed air to blow or disturb combustible dust located inside of the mills is prohibited.

5. The above abatements to be completed within ninety (90) days of the date of this Agreement.

Item 2: Deleted.

Item 3: Citation and Penalty Upheld.

Respondent agrees to revise its Program on LO/TO to include: LO/TO training, secondary verification of LO/TO, management oversight of LO/TO, and random audits of LO/TO with this abatement to be completed within ninety (90) days of the date of this Agreement including implementation of the Program.

Item 4: Delete.

Respondent agrees to reevaluate the emergency action plan to include an annual emergency response drill to take place within one hundred and twenty (120) days following the completion of the reevaluation. Respondent agrees to revised Contractor Safety Terms & conditions to require FRCs, when applicable. Respondent agrees to update PPE hazard assessments for IPL employees to include FRC where applicable. The evaluation and FRC abatements are to be completed within ninety (90) days of the date of this Agreement.

SAFETY ORDER 02:

Item 1: Deleted.

Item 2a, 2b, and 2c: Deleted.

Item 2d: Reduce to a Serious violation and the penalty remains \$63,000.

Respondent agrees to install new transmitters with new logic and to inspect and maintain those transmitters according to manufacturer recommendations and as documented in an SOP. Installation and SOP to be completed within ninety (90) days of the date of this Agreement.

Item 3: Reduce to a Serious violation and the penalty is reduced to \$13,000.

Respondent agrees to an SOP that includes a vendor/OEM recommended replacement schedule for parts, monthly visual inspections of the system, and, an annual 'live' short duration test of the valves located prior to the overhead lines with this SOP to be completed within ninety (90) days of the date of this Agreement.

The TOTAL AGREED PENALTY for INSPECTION No. 315870717 is \$102,300.00.

PART II

The Commissioner amends the Safety Order(s) and Notification(s) of Penalty, IOSHA Inspection No. 316972678 and issued to the Employer on August 30, 2013 in the following manner:

SAFETY ORDER 01:

- Item 1:** Deleted. Respondent agrees to train employees to not open mill doors and insert water hoses. Abatement date extended to ninety days after the employer has executed this agreement.
- Item 2:** Deleted.
- Item 3:** Upheld under Indiana Code 29 CFR 1910.269(a)(2)(i). "In the alternative" citation deleted. Abatement date extended to December 1, 2014.
- Item 4:** Grouped with Item 3 under 29 CFR 1910.269(a)(2)(iii). "In the alternative" citation deleted. Abatement to be commenced by March 15, 2014 and completed by December 1, 2014.
- Item 5:** Grouped with Item 3 and 4 under 29 CFR 1910.269(a)(2)(iv)(A). "In the alternative" citation deleted. Abatement to be commenced by March 15, 2014 and completed by December 1, 2014.
- Item 6:** Grouped with Item 3, 4, and 5 under 29 CFR 1910.269(a)(2). "In the alternative" citation deleted. Abatement to be commenced by March 15, 2014 and completed by December 1, 2014.
- Item 7:** Serious violation. IPL does not agree this citation applies and is only agreeing for purposes of settlement only. The "In the alternative" citation is deleted. Abatement date extended to December 1, 2014. IPL to install and conduct Millpro pilot project on 7-5 mill. Six months after the completion of the Millpro pilot system, IPL will conduct a process hazard evaluation of the effectiveness of the pilot system with that evaluation to be performed by a professional engineer. IPL will provide the evaluation to the Agency no later than September 1, 2015.

The TOTAL AGREED PENALTY for INSPECTION No. 316972678 is \$18,000.00.

The TOTAL AGREED PENALTY for INSPECTION No. 316972678 and INSPECTION No. 315870717 is \$120,300.00.

THE EMPLOYER IS SATISFIED WITH THE AMENDMENTS STATED ABOVE AND ACCORDINGLY WAIVES ITS RIGHT TO FILE A NOTICE OF CONTEST OF THE SAFETY ORDER(S) AND NOTIFICATION(S) OF PENALTY AS AMENDED AND AGREES TO WITHDRAW ANY PREVIOUSLY FILED NOTICES OF CONTEST IN THIS MATTER.

Upon full execution of this Settlement Agreement ("Agreement") the Employer will post this Agreement for three (3) working days or until abatement is completed, whichever period is longer.

The total AGREED PENALTY is due and payable within fifteen (15) working days from the Employer's execution of this Agreement. The Employer further agrees that if the AGREED PENALTY is not paid within fifteen working days from the Employer's execution of this Agreement, that the full amount of the penalty initially assessed against the Employer in the Safety Order(s) and Notification(s) of Penalty which are the subject of this Agreement is due and payable immediately.

The Safety Order(s) and Notification(s) of Penalty are, and shall be, herein a final and enforceable Order of the Board of Safety Review.

Except for this Agreement, and IOSHA matters arising out of this Agreement, and any other subsequent IOSHA proceedings between the parties, none of the foregoing agreements, statements, findings, and actions taken by Employer shall be deemed an admission by Employer of the allegations contained within the Safety Order(s) and Notification(s) of Penalty. Any and all actions to be taken by Employer under this Agreement (including penalty payments), whether relating to policies, procedures, personnel, plant, design or equipment, all constitute subsequent remedial measures as to the events which occurred at the Harding Street plant on or about August 6, 2012 and which are the subject of this Agreement. This Agreement has been made for the sole purposes of avoiding the ongoing expense of administrative review or litigation and to reduce the likelihood of future similar events. The agreements, statements, findings and actions taken herein are made in order to compromise and settle this IOSHA matter economically and amicably, and they shall not be used for any other purpose, except as herein stated.

INDIANAPOLIS POWER & LIGHT
COMPANY

By: Kelly M. Huntington

Printed Name: Kelly M. Huntington

Title: President

Date: 5/15/14

COMMISSIONER OF LABOR

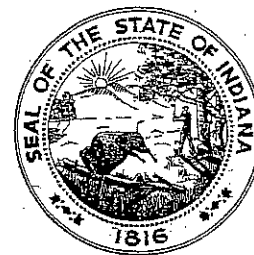
By: J. C. Alexander

Printed Name: J. C. Alexander

Title: Director

Date: 5/16/14

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 9915

8-30-13

JF

Safety Order and Notification of Penalty

To:
Indianapolis Power & Light Company,
and its successors
1230 West Morris Street
Indianapolis, IN 46221

Inspection Number: 316972678
Inspection Date(s): 04/18/2013 - 06/27/2013
Issuance Date: 08/30/2013

Inspection Site:

3700 South Harding Street
Indianapolis, IN 46217

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.

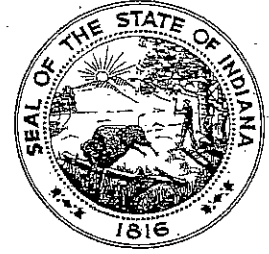
Followup Inspections - Please be advised that a followup inspection may be made for the purpose of ascertaining that you have posted the safety order(s) and corrected the alleged violations. Failure to correct an alleged violation may result in additional penalties for each day that the violation has 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

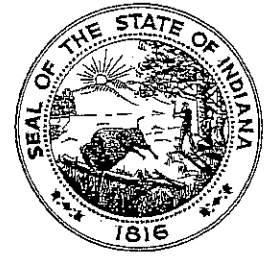
An informal conference has been scheduled with IOSHA to discuss the safety order(s) issued on 08/30/2013. The conference will be held at the IOSHA office located at 402 West Washington Street, Room W195, Indianapolis, IN 46204 on _____ at

_____. 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: 316972678
Inspection Dates: 04/18/2013 - 06/27/2013
Issuance Date: 08/30/2013



Safety Order and Notification of Penalty

Company Name: Indianapolis Power & Light Company
Inspection Site: 3700 South Harding Street, 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 opening pulverizer system equipment with burning/smoldering coal and/or other combustible atmospheric conditions inside:

Harding Street Station, Unit 7 - Not all oxygen entry points were blocked or rendered closed when burning coal or other combustible atmospheric conditions existed inside the pulverizer system. Opening doors that would provide air to the mill, such as, but not limited to, coal feeder access doors, for purposes such as, but not limited to, feeding hoses into the body of the coal feeder in order to introduce water into a mill, is a typical employee/operator response when reducing mill temperatures and/or in the event of mill fires, according to members of the operations department.

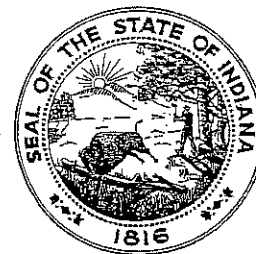
AMONG OTHER METHODS, FEASIBLE MEANS OF ABATEMENT MAY INCLUDE: following the recommendations in the manufacturer's Service Information Letter (SIL) #2003-03, *Inerting and Fire Fighting Procedures for Direct Fired RP Pulverizers*, "ALSTOM strongly recommends that a permanent water injection entry point of 1 inch minimum diameter be installed at the discharge of the coal feeder to enable water to be introduced into the coal supply as a means of extinguishing a fire." (page 10)

Date By Which Violation Must be Abated:	09/26/2013
Proposed Penalty:	\$4,500.00

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 316972678
Inspection Dates: 04/18/2013 - 06/27/2013
Issuance Date: 08/30/2013



Safety Order and Notification of Penalty

Company Name: Indianapolis Power & Light Company
Inspection Site: 3700 South Harding Street, 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 fire, deflagration and/or explosion hazards caused by exceeding operating temperature limits on the coal pulverizer system:

Harding Street Station, Unit 7 - Pulverizer outlet temperatures during operation exceeded manufacturer and industry recommended maximum temperatures during the period of May 1, 2012 through April 30, 2013 (inclusive).

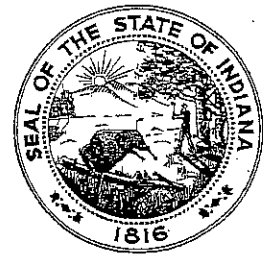
AMONG OTHER METHODS, FEASIBLE MEANS OF ABATEMENT MAY INCLUDE: following the recommendations for mill outlet temperatures when burning high volatile content fuel as given in manufacturer publication #9068, *C-E Pulverized Coal System* ("The outlet temperature must not exceed 200°F in any case." and manufacturer publication *C-E Type RS Bowl Mill - Description - Installation - Operation - Maintenance* ("Do not allow the mill outlet temperature to exceed 200°F, irrespective of the material being pulverized.").

Date By Which Violation Must be Abated:	09/26/2013
Proposed Penalty:	\$4,500.00

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Indiana Occupational Safety and Health
Administration

Inspection Number: 316972678
Inspection Dates: 04/18/2013 -
06/27/2013
Issuance Date: 08/30/2013



Safety Order and Notification of Penalty

Company Name: Indianapolis Power & Light Company
Inspection Site: 3700 South Harding Street, Indianapolis, IN 46217

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

29 CFR 1910.269(a)(2)(i): Employees were not trained in and familiar with safety-related work practices, safety procedures, and other safety requirements in this section that pertained to their respective job assignments. Employees were also not trained in and familiar with any other safety practices, including applicable emergency procedures that were not specifically addressed by this section but were related to their work and were necessary for their safety:

- a) Harding Street Station, Unit 7 - Control room operator procedures for emergency situations related to the unit's pulverizers (mills) were not developed; operators referred to the mill's original equipment manufacturer (OEM) manual for direction. Control room operator procedures for normal operations were not developed; operators referred to a combination of standard operating procedures, standing orders, and the OEM manual for direction.
- b) Harding Street Station, Unit 7 - No formal training program for control room operators was found. There was no training manual governing the content of the training program for control room operators. The content of control room operator training was determined by unit leaders, supervisors and control room operators based on plant history. Training for control room operators was not documented. Refresher training was not provided for control room operators.

IN THE ALTERNATIVE

a) 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 due to the lack of formal operating procedures for use by control room operators:

Harding Street Station, Unit 7 - Control room operator procedures for emergency situations related to the unit's pulverizers (mills) were not developed; operators refer to the mill's original equipment manufacturer (OEM) manual for direction. Control room operator procedures for normal operations were not developed; operators refer to a combination of standard operating procedures, standing orders, and the OEM manual for direction.

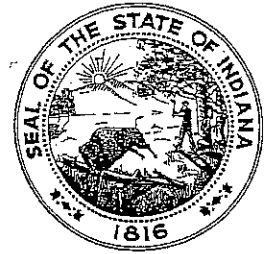
AMONG OTHER METHODS, FEASIBLE MEANS OF ABATEMENT MAY INCLUDE: follow the requirements listed in the National Fire Protection Association's (NFPA) *Boiler and Combustion Systems Hazards Code* (NFPA 85-2011). Section 4.4.2.1.2 of NFPA 85-2011 states that "operating procedures shall be established that cover normal and emergency conditions."

b) 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

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 316972678
Inspection Dates: 04/18/2013 -
06/27/2013
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Safety Order and Notification of Penalty

Company Name: Indianapolis Power & Light Company
Inspection Site: 3700 South Harding Street, Indianapolis, IN 46217

harm to employees in that employees were exposed to potential fire, deflagration and/or explosion hazards due to the lack of a formal training program for control room operators:

Harding Street Station, Unit 7 - No formal training program for control room operators was found. There was no training manual governing the content of the training program for control room operators. The content of control room operator training was determined by unit leaders, supervisors and control room operators based on plant history. Training for control room operators was not documented. Refresher training was not provided for control room operators.

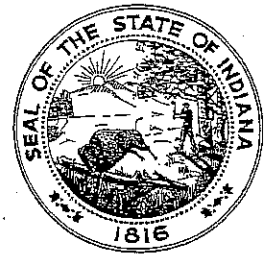
AMONG OTHER METHODS, FEASIBLE MEANS OF ABATEMENT MAY INCLUDE: follow the requirements listed in the National Fire Protection Association's (NFPA) *Boiler and Combustion Systems Hazards Code* (NFPA 85-2011). Section 4.4.2.1.1 of NFPA 85-2011 states that "the owner or the owner's representative shall be responsible for establishing a formal training program that is consistent with the type of equipment and hazards involved to prepare personnel to operate equipment."

Date By Which Violation Must be Abated:	09/26/2013
Proposed Penalty:	\$4,500.00

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 316972678
Inspection Dates: 04/18/2013 - 06/27/2013
Issuance Date: 08/30/2013



Safety Order and Notification of Penalty

Company Name: Indianapolis Power & Light Company
Inspection Site: 3700 South Harding Street, Indianapolis, IN 46217

Safety Order 1 Item 4 Type of Violation: **Serious**

29 CFR 1910.269(a)(2)(iii): The employer did not determine through regular supervision and through inspections conducted on at least an annual basis, that each employee was complying with the safety related work practices required by this section:

Harding Street Station, Unit 7 - No annual inspections of the compliance of control room operators with safety related work practices were performed or documented. Non-compliance with safety related work practices could expose employees to potential fire, deflagration and/or explosion hazards.

IN THE ALTERNATIVE

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 due to the lack of reviews of control room operator competence:

Harding Street Station; Unit 7 - No annual reviews of control room operator competence in the performance of their job duties were performed at or documented. Non-compliance with safety related work practices could expose employees to potential fire, deflagration and/or explosion hazards.

AMONG OTHER METHODS, FEASIBLE MEANS OF ABATEMENT MAY INCLUDE: follow the requirements listed in the National Fire Protection Association's (NFPA) *Boiler and Combustion Systems Hazards Code* (NFPA 85-2011). Section 4.4.2.1.4 of NFPA 85-2011 states that "the owner or owner's representative shall be responsible for retraining operators, including reviewing their competence, at intervals determined by the owner."

Date By Which Violation Must be Abated: 09/26/2013
Proposed Penalty: \$4,500.00

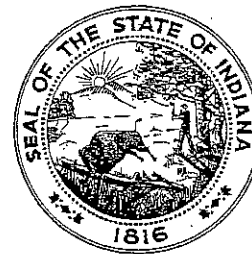
Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 316972678

Inspection Dates: 04/18/2013 -
06/27/2013

Issuance Date: 08/30/2013



Safety Order and Notification of Penalty

Company Name: Indianapolis Power & Light Company
Inspection Site: 3700 South Harding Street, Indianapolis, IN 46217

Safety Order 1 Item 5 Type of Violation: **Serious**

29 CFR 1910.269(a)(2)(iv)(A): Employees did not receive additional training (or retraining) when supervision and annual inspections required by paragraph (a)(2)(iii) of this section indicated that the employee was not complying with the required safety-related work practices:

Harding Street Station, Unit 7 - When deficiencies in operator training were identified through incident investigations, no additional training or retraining of operators was performed or documented.

IN THE ALTERNATIVE

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 due to the lack of retraining of control room operators:

Harding Street Station, Unit 7 - When deficiencies in operator training were identified through incident investigations, no additional training or retraining of operators was performed or documented.

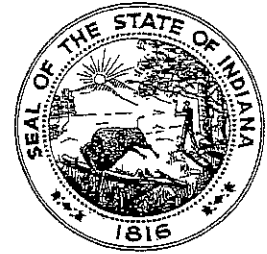
AMONG OTHER METHODS, FEASIBLE MEANS OF ABATEMENT MAY INCLUDE: follow the requirements listed in the National Fire Protection Association's (NFPA) *Boiler and Combustion Systems Hazards Code* (NFPA 85-2011). Section 4.4.2.1.4 of NFPA 85-2011 states that "the owner or owner's representative shall be responsible for retraining operators, including reviewing their competence, at intervals determined by the owner."

Date By Which Violation Must be Abated:	09/26/2013
Proposed Penalty:	\$4,500.00

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 316972678
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Company Name: Indianapolis Power & Light Company
Inspection Site: 3700 South Harding Street, Indianapolis, IN 46217

Safety Order 1 Item 6 Type of Violation: **Serious**

29 CFR 1910.269(a)(2)(vii): The employer did not certify that each employee had received training as required by paragraph (a)(2) of this section. This certification shall be made when the employee demonstrates proficiency in the work practices involved and shall be maintained for the duration of the employee's employment:

Harding Street Station, Unit 7 - No certification of control room operators as having received required training was made or documented.

IN THE ALTERNATIVE

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 due to a lack of verification of control room operator training and competency before s are not verified as trained and competent to operate control room equipment:

Harding Street Generating Station, Unit 7 - No verification of the training and competence of control room operators was made or documented.

AMONG OTHER METHODS, FEASIBLE MEANS OF ABATEMENT MAY INCLUDE: follow the requirements listed in the National Fire Protection Association's (NFPA) *Boiler and Combustion Systems Hazards Code* (NFPA 85-2011). Section 4.4.2.1.3 of NFPA 85-2011 states that "the owner or owner's representative shall verify that operators are trained and competent to operate the equipment under all conditions prior to their operation of such equipment."

Date By Which Violation Must be Abated:	09/26/2013
Proposed Penalty:	\$1,350.00

Indiana Department of Labor

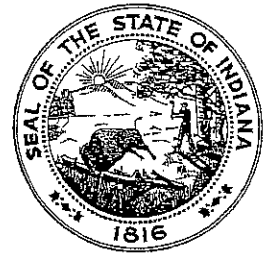
Indiana Occupational Safety and Health
Administration

Inspection Number: 316972678

Inspection Dates: 04/18/2013 -

06/27/2013

Issuance Date: 08/30/2013



Safety Order and Notification of Penalty

Company Name: Indianapolis Power & Light Company
Inspection Site: 3700 South Harding Street, Indianapolis, IN 46217

Safety Order 1 Item 7 Type of Violation: **Serious**

29CFR1910.269(v)(11)(xii): Where coal-handling operations produced a combustible atmosphere from fuel sources or from flammable gases or dust, sources of ignition were not eliminated or safely controlled to prevent ignition of the combustible atmosphere:

Harding Street Station, Unit 7 - Sources of ignition were not eliminated or safely controlled when a pulverizer was tripped under load by inerting the atmosphere to effectively address explosive conditions.

IN THE ALTERNATIVE

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 ineffective control of potential sources of ignition that were present inside of components of a pulverized coal fuel system during normal operation and/or after an unexpected shut down (trip) occurred:

Harding Street Station, Unit 7 - No inerting system was installed to control or eliminate sources of ignition within the pulverizer system to effectively address explosive conditions.

AMONG OTHER METHODS, FEASIBLE MEANS OF ABATEMENT MAY INCLUDE: follow the requirements listed in the National Fire Protection Association's (NFPA) *Boiler and Combustion Systems Hazards Code* (NFPA 85-2011). Section 9.4.6.8.1 states "Pulverizers and pulverized fuel storage systems shall be equipped with an inerting system that is capable of maintaining an inert atmosphere as required to meet the provisions of 9.5.4.2.1." Section 9.5.4.2.1 of NFPA 85-2011 states "9.5.4.2.1.1. A pulverizer that is tripped under load shall be inerted and maintained under an inert atmosphere until confirmation that no burning or smoldering fuel exists in the pulverizer or the fuel is removed."

Date By Which Violation Must be Abated:

09/26/2013

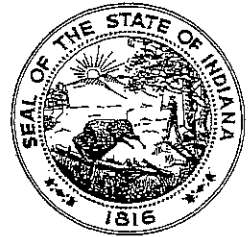
Proposed Penalty:

\$4,500.00

Julie C. Alexander, J.D.
Director, General Industry

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: Indianapolis Power & Light Company
Inspection Site: 3700 South Harding Street, Indianapolis, IN 46217
Issuance Date: 08/30/2013

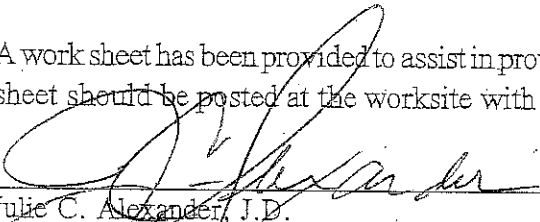
Summary of Penalties for Inspection Number		316972678
Safety Order 01, Serious	=	\$28,350.00
<u>Total Proposed Penalties</u>		\$28,350.00

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).


 Julie C. Alexander, J.D. _____ Date 8/30/13
 Director, General Industry