

US EPA ARCHIVE DOCUMENT

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October 9, 2014

By Overnight Delivery

Mr. Stephen Hoffman
Office of Resource Conservation and
Recovery
U.S. Environmental Protection Agency
Two Potomac Yard
2733 South Crystal Dr. 5th Floor, N-5838
Arlington, Virginia 22202-2733

Re: Gulf Power Company
Plant Scholz
Sneads, Florida
Assessment of Dam Safety of Coal Combustion Surface Impoundments
Final Report-July 2014

Dear Mr. Hoffman:

On or around July 23, 2014, Gulf Power Company ("GPC") received the United States Environmental Protection Agency's ("EPA") document entitled "Assessment of Dam Safety of Coal Combustion Surface Impoundments-Final Report (July 2014)" ("Final Report") for GPC's Plant Scholz. By letter dated July 18, 2014, EPA requested a response from GPC as to how GPC intends to address the recommendations found in the Final Report. Subsequently, GPC requested an extension of time within which to provide its response to EPA. EPA granted GPC's request until October 10, 2014.

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Please find below GPC's response to this EPA request as well as other GPC comments regarding the conclusions and recommendations in the Final Report. For ease of reference, relevant EPA conclusion and recommendation headings in the Final Report are repeated below followed by GPC's response.

Finally, GPC requests that EPA maintain this entire letter and any related attachments as confidential business information not subject to disclosure for purposes of 5 U.S.C. Section 552(b)(2), (4) and (7) and 18 U.S.C. Section 1905.

Introduction, Summary Conclusions and Recommendations

In this section of the Final Report, CDM Smith (CDM) provided its summary conclusions regarding the stability and functionality of the GPC Plant Scholz coal combustion waste (CCW) impoundments.

In Section 1.1 of the Final Report, CDM characterizes the Plant Scholz CCW impoundment as three separate and distinct ponds, and provides condition ratings and hazard classifications for each individually. This characterization is inaccurate. As stated in GPC's October 29, 2013, response to the Draft Report, while the description of the various areas within the ash pond are accurate, the presentation of the facility as three separate units is not. In reporting to EPA under the 2009 Information Request, GPC classified the CCW impoundment as a single ash management unit that was divided into separate areas for solids management and water treatment. This is the structure that GPC has maintained for some time and is supported by the NPDES permit issued by the Florida Department of Environmental Protection ("FDEP"). That permit was identified as Exhibit 19 and was provided to CDM during the August 2012 site inspection. GPC continues to maintain this position.

GPC also disagrees with CDM's description of the condition of the interior divider dikes that help form the separate areas for solids management and water treatment. As stated in GPC's response to the Draft Report, the interior dikes are not intended to be structural embankments, and have no impact on the structural integrity of the overall ash pond system. GPC continues to maintain that only the perimeter dikes should be considered in the assessment of the ash pond.

It appears that CDM is basing its mischaracterization of the CCW impoundment upon a misunderstanding of the head differential between the cells and sub-cells of the

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impoundment, which is reflected in a memorandum from CDM to Jana Englander of EPA, dated June 9, 2014 ("CDM Memorandum") in Appendix D of the Final Report. In the CDM Memorandum, CDM describes the normal pool elevations of each cell and sub-cell of the ash pond, and concludes that the average head difference between cells is about 7.5 feet with a total head difference between the Upper Pond and the Lower Pond on the order of 30 feet. However, a simple analysis of water level elevations such as this does not provide an accurate representation of pond characteristics because the water level in each of the cells is nominal. As recorded on December 5, 2013 by Plant Scholz personnel, and conveyed to EPA in communications on December 5 and 13, 2013, water depths in each cell were as follows:

Upper Pond ~20 inches

Middle Pond ~23 inches

Lower Pond ~34 inches

The depth of ash in each pond and the fact that the impoundment was constructed on sloping topography means that the base of the Upper Pond is not at the same elevation as the base of the Lower Pond. This makes it appear that there is a much larger head differential between the cells than there is in reality. GPC maintains that the physical conditions at the Plant Scholz CCW impoundment represent low head conditions with minimal risk of internal dike breach or failure that could lead to a progressive failure within the facility. Thus, GPC continues to assert that the CCW impoundment should be evaluated and assessed as a single impoundment.

In Section 2.3 of the Final Report, CDM presents hazard ratings for each of the ponds. All were assigned a "Significant" rating on the basis that pond failure or misoperation could result in economic loss and damage to plant infrastructure, operations and utilities, and environmental damage to adjacent waterways and downstream areas. This assignment appears to be based in part on CDM's conclusion that failure of the Upper East or Upper Middle Pond's west embankments, and failure of the Middle Pond's southwest embankment, would likely impact overhead power line support structures

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GPC maintains that failure of the referenced Upper Pond and Middle Pond embankments is unlikely and, furthermore, would not impact the transmission line support structures. These structures are concrete monopoles embedded to depth into medium dense to dense natural soils, and are designed to withstand hurricane force winds. Furthermore, the heights of the west embankments of the Upper and Middle Pond are only a few feet high (ponds are constructed into natural sediments), with relatively flat downstream slopes, tapering to natural ground. As stated above, the water depths within these ponds is less than two-feet. While the unlikely failure of these embankments could potentially result in the release of water and possibly a limited amount of CCWs, the impacted area would be limited to GPC /Plant Scholz property, and the force of the release would not be such that the integrity of the transmission line support structures would be threatened.

GPC, therefore, restates its position that the appropriate hazard classification for the Upper and Middle ponds should be "Low Hazard" given that a Low Hazard rating applies when "failure or misoperation results in no probable loss of life and low economic and/or environmental issues. Losses are principally limited to the owner's property." Accordingly, GPC requests that the Final Report be revised to reflect the Plant Scholz CCW impoundment as a single CCW impoundment, and not three separate and distinct ponds, and that the hazard classification for the CCW impoundment be revised to Low Hazard.

Conclusions

1.3.1.1 Conclusions Regarding Structural Soundness of the CCW Impoundments

In this section of the Final Report, it states that the CCW impoundments appear to be structurally sound based on visual observations of the structural element components. It further states that the slope stability analyses of the Middle Pond were not provided.

GPC agrees with the conclusion that the CCW impoundment is structurally sound. As stated above, the interior divider dikes that help form the separate areas for solids management and water treatment, such as the Middle Pond dikes, are not intended to be structural components and have no impact on the structural integrity of the overall ash pond system. Nevertheless, a structural analysis of the impoundment

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was recently performed by a professional engineer which concludes that the dike is structurally sound. Findings of the new engineering evaluation are found in Attachment A. Accordingly, GPC requests that the Final Report be revised to reflect the additional information provided by GPC.

1.3.1.2 Conclusions Regarding the Hydrologic/Hydraulic Safety of the CCW Impoundments

In the Final Report, CDM concludes that the CCW impoundment has inadequate combined capacity to pass or store a 50% Probable Maximum Precipitation ("PMP") 6-hour rainfall event. CDM's conclusion is incorrect. As explained more fully below, CDM's conclusion is based on a miscalculation of the overflow volume from the Middle Pond to the Lower Pond. GPC has performed detailed engineering analyses and maintains that the CCW impoundment does have sufficient storage capacity to manage the 50% PMP storm events, in addition to the 1,000 year and 100 year storm events.

At the outset, GPC disputes the relevance and applicability of the 50% PMP, 6-hour rainfall event to its CCW impoundment. CDM asserts that FEMA guidelines "recommend" that impoundments have the capacity to pass/store some percentage of the PMP for a 6-hour event over a 10 square mile area in the vicinity of the site, and that significant hazard structures should be able to store the 50% PMP 6-hour event. GPC has been unable to identify the source for CDM's reference and questions the applicability of this FEMA "recommendation" to the GPC CCW impoundment. GPC, however, did identify FEMA Publication P-94, "Selecting and Accommodating Inflow Design Floods for Dams", dated August 2013 ("FEMA P-94"), which recommends that the use of percentages of hydrologic events to prescribe an inflow design flood be discontinued. Specifically, in summarizing the recommendations in the guidelines, it provides:

"[i]t is recommended that the practice of prescribing an Inflow Design Flood using arbitrarily selected composite criteria (i.e. prescribing an Inflow Design Flood by an equation that includes both a frequency event and some fraction of the probably maximum event) or percentages of hydrologic events (e.g. 50% Probably Maximum Flood) be discontinued."

FEMA P-94, Executive Summary, at iv..

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Section 2 of the document addresses inflow design flood selection. Section 2.3.3. provides that “for dams classified as having Significant Hazard Potential, extrapolation of the flood frequency relationship to the 0.1% annual chance exceedance flood (1,000 year flood) is generally accepted as the upper limit of the range of credible extrapolation for annual exceedance probability...” FEMA P-94, Inflow Design Flood Selection, at 13. This criteria is restated in Table 2 of the publication. Table 2 also states that for a Low Hazard embankment, the 100 year flood is applicable.¹

As stated above, the appropriate hazard classification for the Upper and Middle Ponds is “Low”. However, if EPA and CDM maintain the position that a “Significant” classification should be used, then consistent with FEMA P-94, the appropriate design storm should be the 1,000 year event. Applicable precipitation amounts, as referenced in NOAA Atlas 14 for the Sneads, Florida location, are presented in the following table. The precipitation values for both the 1,000 year storm and the PMP (as obtained from NOAA HMR 51) are provided for comparison.

Design Storm	1,000 Yr Recurrence		PMP		50% PMP	
	6-hr Duration	24-hr Duration	6-hr Duration	24-hr Duration	6-hr Duration	24-hr Duration
Precipitation (in)	11.7	17.0	31	47	15.5	23.5

In Section 6.3 of the Final Report, CDM states that the calculated overflow volume from the Middle Pond to the Lower Pond during 50% PMP, 24-hour storm event is 84.7 acre-feet and that the available storage capacity of the Lower Pond is only 35 acre-feet. CDM concludes, therefore, that the Lower Pond embankment will also be

¹ GPC recognizes that the application of “inflow design floods” to the Scholz ash pond may not be wholly applicable as it does not receive flow from any surrounding watershed; rather, it receives only what precipitation falls on the impoundment plus a limited amount of process water from the generating plant. However, the lack of watershed runoff to the impoundment would be applicable to any recommendations from FEMA, as they generally are addressing impoundment structures built to retain water from a given watershed. Additionally, FEMA’s Federal Guidelines for Dam Safety: Hazard Potential Classification System for Dams, on which EPA based its classification of CCW impoundments, also references an earlier version of FEMA P-94. Therefore, GPC believes that this document is relevant to the issue in hand.

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overtopped during the 50% PMP, 24-hour storm event. This is incorrect. CDM's conclusion appears to be based on a faulty transcription of the units for the overflow volume set forth on Page 8 of the H&H calculation, which is stated in acre-inches, not acre-feet. Utilizing the correct units of measurement, the overflow volume from the Middle Pond to the Lower Pond is only approximately 7.1 acre-feet; thus, there is sufficient capacity in the Lower Pond to safely store the overflow volume from the Middle Pond for both the 50% PMP 24-hour and 6-hour storm events.

As the precipitation values for the 1,000 year storm are several inches less than the 50% PMP 6-hr and 24-hr events, one can logically infer that the impoundment will safely pass and store the 1000-year storm. GPC has previously demonstrated that the impoundment will pass and store the 100-year storm. Therefore, when viewed correctly as a single impoundment, the GPC CCW impoundment has adequate capacity to store or pass various storm events. Nevertheless, GPC has proposed an additional safety measure to prevent overtopping of the Middle Pond in its response to section 1.3.2.1, below. Accordingly, GPC requests that the Final Report be revised to reflect the appropriate design storm events of 100 year and 1,000 year storm events, and that the hazard classification for the CCW impoundment be changed to Low Hazard.

1.3.1.3 Conclusions Regarding Adequacy of Supporting Technical Information

The Final Report states that "supporting Technical Data provided by Gulf Power and reviewed by CDM Smith is inadequate" and that "Gulf Power did not provide slope stability analyses of the Middle Pond." However, in the CDM Memorandum, CDM states that:

"[b]ased, however, on our review of the analyses provided by Gulf Power for the Upper East Pond and Lower Pond, and our observations of the CCW impoundment embankments during the site visit, it is our opinion that the calculated factors of safety for the Upper East Pond and Lower Pond embankments are representative of the Upper West, Upper Middle, and Middle Pond embankments. As such, the supporting technical documentation for Plant Scholz is considered adequate. CDM Smith has assessed the Structural Stability rating of Plant Scholz CCW impoundment embankments to be Satisfactory."

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GPC is confused by the conflicting statements in the Final Report text and the CDM Memorandum, and requests that the rating in the Final report be revised to Satisfactory consistent with the CDM Memorandum.

1.3.1.4 Conclusions Regarding Description of the CCW Impoundments

In the Final Report, CDM concludes that:

"[t]he description of the CCW impoundments provided by Gulf Power and Plant Scholz representatives appears to be consistent with the visual observations by CDM Smith during the site assessment. However, record drawings were not provided to assess discrepancies against the intended design of the CCW impoundments."

GPC has provided available information and data, including information on the dikes, boring data and description of the height of the CCW dikes. Accordingly, GPC requests that the Final Report be revised to reflect the additional information provided by GPC.

1.3.1.5 Conclusions Regarding Field Observations

In the Final Report, CDM made reference to erosion rills and scarps around some of the ponds. These noted erosion features have been repaired, and maintenance of these areas and proper treatment of any such features is a part of normal plant operations. In relation to the Lower Pond, CDM noted that:

"exterior slopes of the south and southwest embankments are covered with trees and dense vegetation. During the visual assessment, areas of erosion, erosion rills, and scarps were observed on the exterior slopes of the south and southeast embankments of the Lower Pond. An area of standing water or possible seepage was observed at the toe of the exterior slope of the southwest embankment. Maintenance of these areas is encouraged."

CDM incorrectly characterizes the entirety of these exterior slopes as embankments. The majority of the observed trees and vegetation is in fact located on a natural hill, and not on the engineered and man-made south, southwest and southeast embankments. The referenced trees and vegetation are depicted in Photo 16 of Appendix B of the Final report. Contrary to the description accompanying the photo,

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this photo was taken from the bottom of the hill, not the toe of the embankment. Similarly, the ponded water referenced by CDM, and identified in Photo 25, is also located at the bottom of the hill. The bottom of the hill is located approximately 20 to 30 (or more) vertical feet below the toe of the embankment, which is located at approximately EL 85feet. The embankment located on top of the hill is identified in Photo 19, which shows the steeper constructed embankment leading down to the trees and the top of the natural hill.

GPC acknowledges that the depiction of vegetation and erosion features on the south and southwest embankments reflects conditions at the time of CDM's visual assessment. However, it appears that the documentation previously provided by GPC regarding the extensive improvements made to the south and southwest embankments following the assessment has not been taken into consideration. Trees and other woody vegetation located on the slopes of the constructed embankment have been removed, and appropriate grassy vegetation has been established and maintained. Additionally, slopes have been regraded and flattened, as needed. Photo documentation of these site repairs is included in Attachment B.

Based on routine monitoring performed in accordance with GPC's surveillance and monitoring program discussed in Sections 1.3.1.7 and 1.3.2.3, GPC has confirmed that the standing water noted near the toe of the exterior slope of the southwest embankment of the Lower Pond was the result of rains experienced in the hours and days preceding the site visit, and was not indicative of seepage from the Lower Pond.

1.3.1.6 Conclusions Regarding Adequacy of the Maintenance and Methods of Operation

The Final Report provides that "[c]urrent maintenance and operation procedures appear to be adequate." GPC agrees with this conclusion and has no comments regarding the conclusions in this section of the Final Report.

1.3.1.7 Conclusions Regarding Adequacy of Surveillance and Monitoring Program

In its Final Report, CDM states that "Gulf Power's surveillance program is inadequate." GPC strongly disagrees with this conclusion. GPC's Plant Scholz has a robust inspection program pursuant to which it conducts weekly, monthly and yearly inspections. This inspection program follows the Southern Company inspection

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procedure for Dams and Dikes that was provided previously to EPA. The checklists used during these inspections include reference to and documentation of any noted areas of seepage or other wet spots. Any such areas noted are visually monitored during these inspections for evidence of change in flow or turbidity. If changes are noted, plant personnel are instructed to notify Southern Company's Dam Safety Engineers for recommendations for additional monitoring and assessment. Accordingly, GPC requests that the Final Report be revised to reflect the additional information provided by GPC.

1.3.1.8 Conclusions Regarding Suitability for Continued Safe Operation

The Final Report provides that "[t]he CCW impoundment embankments do not show evidence of unsafe conditions requiring immediate remedial efforts." GPC has no comments regarding the conclusions in this section of the Final Report, other than to state the maintenance of the embankments is a normal part of Plant Scholz operations.

Recommendations

1.3.2.1 Recommendations Regarding the Hydrologic/Hydraulic Safety

In the Final Report, CDM recommends "that a detailed H & H analysis be performed to determine the adequacy of Plant Scholz CCW impoundments to pass and/or store the 50% PMP, 6-hour rainfall event." As stated in Section 1.3.1.2 above, GPC and Southern Company have been unable to identify a specific reference to this requirement and questions its applicability. As noted above, FEMA P-94 recommends that the practice of using a percentage of the PMP as the basis for inflow design flood analyses be discontinued. Instead, FEMA recommends the use of precipitation from the 1,000 year event for analysis of hydrologic and hydraulic capability for an impoundment assigned a Significant hazard classification.

For the reasons stated here, and in Section 1.3.1.2, the Upper and Middle Ponds should be classified as a Low hazard, and not a Significant hazard. When viewed correctly as a single impoundment, the GPC CCW impoundment has adequate capacity to store or pass various storm events, including the 50% PMP event. Nevertheless, GPC performed a comparative engineering evaluation of expected rainfall for the 1,000 year occurrence precipitation data from NOAA Atlas 14. That evaluation suggests there is still a risk that the Middle Pond embankment will overtop during such a storm.

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Therefore, to address CDM's concerns with overtopping, GPC proposes to construct an auxiliary spillway on the east side of the Middle Pond that will discharge flows from a storm event greater than the 100-yr storm. A Figure depicting the location of the proposed spillway is included as Attachment C. The flow will be directed from the Middle Pond to an area east of the impoundment and west of the plant that is located primarily in natural ground. Much of the flow will be retained in this area. In the event rainfall of this magnitude does occur, the level of the Lower Pond will rise and begin to be stored in this area as well. However, given existing site topography, there is no expectation of discharge of this water from the area east of the CCW impoundment as the existing topography basically forms a stilling basin that will flow back into the Lower Pond. The water will eventually be discharged through the overflow structure located within the Lower Pond once storm water levels begin to recede.

GPC requests that, once documentation of the construction of this auxiliary spillway is provided to EPA, the condition rating of the Middle Pond be revised. Since the Poor rating was based on the perceived potential overtopping of the Middle Pond embankment, GPC maintains that a Satisfactory rating will be applicable upon completion of this work.

1.3.2.2 Recommendations Regarding the Technical Documentation for Structural Stability

The Final Report recommends that "Gulf Power have a qualified engineer evaluate the stability of the Middle Pond embankments." Again, GPC requests clarification as to why the Final Report states the documentation is inadequate when CDM has indicated otherwise in its correspondence to EPA.

GPC maintains that the embankment for the Middle Pond is only a divider dike between cells of a single impoundment and is not intended to be a structural, engineered component. That position notwithstanding, stability analyses of the Middle Pond embankment have been performed by a Florida professional engineer and a summary of the results can be found in Attachment A. As can be seen, the analyses indicate the Middle Pond embankments have achieved factors of safety at or above the generally accepted minimums recognized by the industry. Results of the stability analyses are presented in Attachment A as Revision 3 to Calculation No. TV-SZ-FPC33667-002.

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1.3.2.3 Recommendations Regarding Field Observations

Specific recommendations are made in the Final Report for maintenance related issues such as animal burrows, erosion features, seepage and vegetation. All of these items are addressed in accordance with the Plant Scholz Ash Pond Maintenance Plan ("Maintenance Plan") that was developed in August 2012 and provided previously to EPA. Under the Maintenance Plan, weekly inspections are performed and erosion and animal burrows are repaired as soon as they are discovered. Vegetation is cut as needed to ensure that GPC adequately monitors and repairs these issues. As a standard practice, repaired surfaces are vegetated and, if recommended by GPC's professional engineer, rip rap is installed on the outer slope of the CCW impoundment.

GPC's Plant Scholz has implemented a robust inspection program where GPC personnel conduct weekly, monthly and yearly inspections. The checklists used during these inspections include reference to and documentation of any noted areas of seepage or other wet spots. Any such areas noted are visually monitored during these and subsequent inspections for evidence of change in flow or turbidity. However, insufficient flow is present to allow for proper turbidity sampling. If changes are noted, Plant personnel are instructed to notify Southern Company's Dam Safety Engineers for recommendations concerning additional monitoring and assessment.

The Final Report also includes specific recommendations regarding the removal of trees and other woody vegetation from the embankments, with specific reference to the south embankment of the Lower Pond. As noted in Section 1.3.1.5 above, GPC previously submitted documentation of the substantial work performed in late 2012 and early 2013 that involved removal of trees and regrading of slopes along the south embankment of the Lower Pond. Accordingly, GPC requests that the recommendations in the Final Report be revised to reflect the additional information provided by GPC.

1.3.2.4 Recommendations Regarding Surveillance and Monitoring Program

Again, the Final Report recommends development of a regular surveillance program to monitor areas of seepage and potential seepage to evaluate the rate, volume and turbidity of flow emerging from the embankment slopes. As noted in GPC's response to Section 1.3.2.3, Plant Scholz already has in place a robust inspection program where GPC personnel conducts weekly, monthly and yearly inspections.

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Accordingly, GPC requests that the recommendations in the Final Report be revised to reflect the additional information provided by GPC.

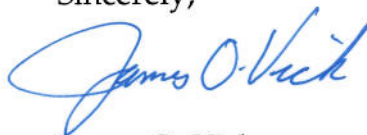
1.3.2.5 Recommendations Regarding Continued Safe and Reliable Operation

The Final report recommends that “[i]nspections should be made following periods of heavy and/or prolonged rainfall and/or high water events on the Apalachicola River, and the occurrence of these events should be documented. Inspection records should be retained at the facility for a minimum of three years.”

As discussed during the site inspection and as reflected in documentation provided by GPC to EPA, CDM’s recommendations are already being implemented as standard practice at Plant Scholz in accordance with existing Southern Company written procedures. These inspections are also required by the Plant Scholz NPDES permit, which was provided to CDM during the inspection. GPC has available to it Southern Company engineers that can be contacted at any time to evaluate and address potential issues regarding the structural integrity and safe operation and maintenance of the Plant Scholz CCW impoundment. Pursuant to the previously referenced Southern Company written procedures, GPC routinely inspects the CCW impoundment at Plant Scholz after heavy rainfall events, earthquake events and during times when Apalachicola River water levels are high. GPC does note, however, that topography is such that it is extremely unlikely high water levels from the Apalachicola River could impact the CCW impoundment.

Should you have any questions regarding these responses or the information contained therein, please do not hesitate to contact GPC’s Mike Markey at (850) 444-6573.

Sincerely,



James O. Vick
Director
Environmental Affairs

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cc: Mike Markey, Gulf Power Company
Jim Pegues, Southern Company Generation Technical Services
Michael Smith, Southern Company
Russell Badders, Esq., Beggs & Lane
Carl Eldred, Esq., Hopping Green & Sams

As discussed during the site inspection and as reflected in documentation provided by GPC to EPA, CDM's recommendations are already being implemented at Plant Scholtz in accordance with existing Southern Company standard practice. These inspections are also required by the Plant Scholtz NPDES permit, which was provided to CDM during the inspection. CDM has available to it Southern Company engineers that can be contacted at any time to evaluate and address potential issues regarding the structural integrity and safe operation and maintenance of the Plant Scholtz COW impoundment. Pursuant to the previously referenced Southern Company written procedure, GPC routinely inspects the COW impoundment at Plant Scholtz after heavy rainfall events, outspike events and during times when Apalachicola River water levels are high. GPC does note, however, that topography is such that it is extremely unlikely high water levels from the Apalachicola River could impact the COW impoundment.

Should you have any questions regarding these responses or the information contained therein, please do not hesitate to contact GPC's Mike Markey at (850) 444-6873.

Sincerely,

James O. Vick
Director
Environmental Affairs