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May 13, 2009

Mr. Richard Kinch
U.S. Environmental Protection Agency (5306P)
1200 Pennsylvania Avenue, NW
Washington, DC 20460

**Re: Response to U.S. EPA 104(e) Information Request to
Indianapolis Power & Light Company (“IPL”) – Eagle Valley
Generating Station**

Dear Mr. Kinch:

This letter and attachments provides the response of the Indianapolis Power & Light Company (“IPL”) to the above-referenced information request. The request for information was submitted to Indianapolis Power & Light Company’s Eagle Valley Generating Station.

IPL received the request from U.S. EPA on or about May 1, 2009, and therefore this response is timely submitted. Note that the timeframe to respond is relatively short, and IPL reserves its right to amend this response, if necessary. Note also that much of the requested information is in IDEM and/or EPA’s possession, and although IPL has attempted to fully respond, EPA may wish to review EPA and IDEM files. Please note that IPL does not intend to produce any documents that are subject to the attorney-client or attorney work product privileges or that are irrelevant and this response should not be construed as a waiver of any privileges or immunities. Finally, EPA’s definition of “management unit” as “each surface impoundment or similar diked or bermed management unit(s) or management units designated as landfills which receive liquid-borne material for the storage or disposal of residuals or by-products from the combustion of coal, including, but not limited to, fly ash, bottom ash, boiler slag, or flue gas emission control residuals” is extremely broad and while IPL believes its response is complete and consistent with the scope of the request, it is not providing information relating to *de minimis* liquid-bearing units such as storm water run-off basins, ditches, etc.

Subject to these conditions, IPL hereby responds to the above-referenced request as follows:

- 1. Relative to the National Inventory of Dams criteria for High, Significant, Low, or Less-than-Low, please provide the potential hazard rating for each management unit and indicate who established the rating, what the basis of the rating is, and what federal or state agency regulates the unit(s). If the unit(s) does not have a rating, please note that fact.*

Response No. 1. None of the Eagle Valley Generating Station management units have been rated by any Federal or State agency.

2. *What year was each management unit commissioned and expanded:*

Response No. 2.

Each management unit at the Eagle Valley Generating Station was commissioned and/or expanded as follows:

East Ponds

- 1956 – Ash pond east of railroad commissioned at an elevation of 612’;
- 1962-1970 – D pond raised to 625’;
- 1981/82 – D pond deactivated and capped;
- 2000 – D pond reactivated and raised to 633’ within its current footprint;
- 2003 – E pond commissioned by building an internal levee in D pond;
- 2005 – D pond raised to 643’ within its current footprint;
- 2007 – D/E levee failed causing breach in E levee and ash sluice water released;
- 2007 – D/E levee reconstructed; and
- 2008 – D/E levee failed again causing breach in E levee and ash sluice water released.

West Ponds

- 1949 – Ash pond west of railroad commissioned at an elevation of 607’;
- 1979/80 – Pond established within current footprint at an elevation of 610’;
- 1980/81 – Pond raised to 619’ within current footprint;
- 1981 – Diversion levee added NE corner of pond; and
- 1991 – Footprints of A, B, and C ponds established and A pond raised to 629’ within current footprint.

3. *What materials are temporarily or permanently contained in the unit? Use the following categories to respond to this question: (1) fly ash; (2) bottom ash; (3) boiler slag; (4) flue gas emission control residuals; (5) other. If the management unit contains more than one type of material, please identify all that apply. Also, if you identify “other,” please specify the other types of materials that are temporarily or permanently contained in the unit(s).*

Response No. 3.

The materials that are temporarily or permanently contained in the Eagle Valley Generating Station managements units are as follows:

- 1) Bottom ash - yes
- 2) Fly ash – yes
- 3) Boiler slag – yes; and
- 4) Other; per the facility NPDES permit includes:
 - Service Water,
 - Demineralizer wastes,

- Ash sluice water,
- Ash & pyrite system,
- Boiler blowdown,
- Boiler, condenser, air pre-heater, and cooling cleaning wastes,
- Plant Sumps,
- Floor drains,
- Storm water,
- Water treatment wastes,
- Metal cleaning wastes,
- River dredging materials, and
- Laboratory and Sampling Streams.

4. *Was the management unit(s) designed by a Professional Engineer? Is or was the construction of the waste management unit(s) under the supervision of a Professional Engineer? Is inspection and monitoring of the safety of the waste management unit(s) under the supervision of a Professional Engineer?*

Response No. 4.

- All construction drawings since 1990 related to the Eagle Valley Generating Station management units were reviewed by a Consultant Professional Engineer or an IPL Professional Engineer.
 - All construction activities after 1990 related to the Eagle Valley Generating Station management units were inspected by a Consultant Professional Engineer or an IPL Professional Engineer.
 - Prior to 2008, inspections of the Eagle Valley Generating Station management units were performed by IPL personnel. Since 2008, the Eagle Valley Generating Station management units were inspected according to the inspection schedule developed by IPL Corporate Environmental and under the supervision of an outside consulting firm (Professional Engineer involved in assessment).
5. *When did the company last assess or evaluate the safety (i.e., structural integrity) of the management unit(s)? Briefly describe the credentials of those conducting the structural integrity assessments/evaluations. Identify actions taken or planned by facility personnel as a result of these assessments or evaluations. If corrective actions were taken, briefly describe the credentials of those performing the corrective actions, whether they were company employees or contractors. If the company plans an assessment or evaluation in the future, when is it expected to occur?*

Response No. 5.

The Eagle Valley Generating Station management units were last assessed and evaluated by BT² on April 7, 2009 and June 25, 2008, respectively. A copy of the June 25, 2008

report is attached hereto as Exhibit A. At the time of this request, IPL Eagle Valley Generating Station had not yet received the BT² April 7, 2009 report.

BT² Credentials are attached hereto as Exhibit B.

The Eagle Valley Generating Station Management Unit Maintenance Recommendations and actions taken in response are attached hereto as Exhibit C.

6. *When did the State or a Federal regulatory official last inspect or evaluate the safety (structural integrity) of the management unit(s)? If you are aware of a planned state or federal inspection or evaluation in the future, when is it expected to occur? Please identify the Federal or State regulatory agency or department which conducted or is planning the inspection or evaluation. Please provide a copy of the most recent official inspection report or evaluation.*

Response No. 6. As a result of the two (2) levee breaches, as described in Response #9, the Eagle Valley Generating Station did have subsequent inspections by the Indiana Department of Environmental Management at the time of the levee breaches. The Indiana agencies generally responsible for environmental issues include the Indiana Department of Environmental Management and the Indiana Department of Natural Resources.

7. *Have assessments or evaluations, or inspections conducted by State or Federal regulatory officials conducted within the past year recovered a safety issue(s) with the management unit(s), and, if so, describe the actions that have been or are being taken to deal with the issue or issues. Please provide any documentation that you have for these actions.*

Response No. 7. As a result of the two (2) levee breaches, as described in Response #9, the Eagle Valley Generating Station did have subsequent inspections by the Indiana Department of Environmental Management. The actions that have been taken as a result of the two (2) levee breaches and subsequent inspections are discussed in Response #9.

8. *What is the surface area (acres) and total storage capacity of each of the management units? What is the volume of materials currently stored in each of the management unit(s)? Please provide the date that the volume measurement(s) was taken. Please provide the maximum height of the management unit(s). The basis for determining maximum height is explained later in this Enclosure.*

Response No. 8. Please see responsive information attached hereto as Exhibit D.

9. *Please provide a brief history of known spills or unpermitted releases from the unit within the last ten years, whether or not these were reported to State or federal regulatory agencies. For purposes of this question, please include only releases to surface water or to the land (do not include releases to groundwater).*

Response No. 9. There have been two (2) breaches of the levee system allowing unpermitted discharges to surface waters of the United States within the last 10 years. A description of the two (2) breaches is as follows:

- On February 14, 2007, IPL Eagle Valley Generating Station released approximately 30 million gallons of ash sluice water to the IPL discharge canal which then entered the White River as an unpermitted release. IPL believes both an internal and then an external levee breached at the Eagle Valley Generating Station prompting the release. None of the released material was recovered. Timely reports were made to the Indiana Department of Environmental Management (IDEM), Indiana Department of Natural Resources (IDNR), National Response Center (NRC), and the Morgan County Local Emergency Planning Commission. Both IDEM and IDNR representatives were on-site after the breach occurred to observe IPL response action steps and provide regulatory direction. The external levee was plugged within 30 hours after the initial failure occurred. The remedial action undertaken was the repair of the levee.
- On January 30, 2008, IPL Eagle Valley Generating Station released approximately 30 million gallons of ash sluice water to the IPL discharge canal which then entered the White River as an unpermitted release. IPL believes both an internal and then an external levee breached at the Eagle Valley Generating Station prompting the release. None of the released material was recovered. Timely reports were made to the Indiana Department of Environmental Management (IDEM), Indiana Department of Natural Resources (IDNR), National Response Center (NRC), and the Morgan County Local Emergency Planning Commission. Both IDEM and IDNR representatives were on-site after the breach occurred to observe IPL response action steps and provide regulatory direction. The external levee was plugged within 12.5 hours after the initial failure occurred. On December 30, 2008, IPL submitted a root causal analysis associated with the second levee breach and levee repair recommendations to IDEM. In addition, IPL initiated external qualified professional inspections of all of its levees in June 2008. IPL continues to conduct the external levee inspections on all of its levees on a semi-annual basis.

As a result of the two (2) levee breaches, IPL entered into an Agreed Order (Case Nos. 2007-16780-W and 2008-17693-W) with the Indiana Department of Environmental Management (IDEM) on April 22, 2008. The Agreed Order is attached hereto as Exhibit E.

As part of the Agreed Order requirements, IPL submitted a detailed study of the levee breaches, performed by BT² Inc, and associated recommendations to IDEM December 19, 2008. The detailed study and associated recommendations are attached hereto as Exhibit F.

10. *Please identify all current legal owner(s) and operator(s) at the facility.*

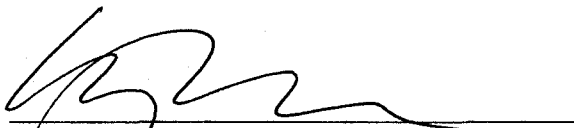
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Response No. 10. The Indianapolis Power & Light Company owns and operates the Eagle Valley Generating Station.

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If you have any questions, please contact Nysa Hogue at (317) 261-5473.

I certify that the information contained in this response to EPA's request for information and the accompanying documents is true, accurate, and complete. As to the identified portions of this response for which I cannot personally verify their accuracy, I certify under penalty of law that this response and all attachments were prepared in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines or imprisonment for knowing violations.



William P. Marsan
Vice President, General Counsel and
Corporate Secretary

cc: Mr. Kyle Noah, IPL Eagle Valley Generating Station
Mrs. Nysa Hogue, IPL Corporate Environmental
Mr. Tony Sullivan, Esq., Barnes & Thornburg Law Office