



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
DETROIT



C. HEIDI GREYER
DIRECTOR

October 14, 2016

Mr. Nicholas Kohlhas, General Manager
AK Steel Dearborn Works
4001 Miller Road
Dearborn, Michigan 48121-1699

SRN: A8640, Wayne County

Dear Mr. Kohlhas:

VIOLATION NOTICE

On June 29, 2016, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted an inspection of AK Steel Dearborn Works located at 4001 Miller Road, Dearborn, Michigan. On August 31 and September 20, 2016, the facility provided additional information related to the AQD inspection. The inspection and subsequent information review was performed to determine AK Steel's compliance status with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the administrative rules; and the conditions of Renewable Operating Permit (ROP) number MI-ROP-A8640-2016.

Based on the inspection and information provided, the following violations were noted:

Process Description	Permit Condition Violated	Comments
EUBOFDESULF	PTI 182-05C, EUBOFDESULF, S.C. III.3 R 336.1910	Slag skimming at the desulfurization station has been performed without the use of the required baghouse.
EUBACKUPSKIM	R 336.1201	Facility installed and commenced operation of a backup stand-alone slag skimming station without first obtaining a permit to install (PTI).
EUBOF	PTI 182-05C, EUBOF, S.C. V.7	Facility failed to test the ESP stack for PM, PM10, and PM2.5, by April 2016 as required.

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EUBOFDESULF includes using lime and magnesium to remove sulfur and skimming of slag into a slag pot, all controlled by a movable hood to a baghouse. PTI 182-05C, EUBOFDESULF, S.C. III.3 states: "The permittee shall not operate EUBOFDESULF unless the baghouse dust collector is installed, maintained, and operated in a satisfactory manner." AK Steel self-reported that slag skimming without the use of the baghouse at EUBOFDESULF has been performed on approximately 6 occasions from September 2014 through August 2016. This is a failure to operate the baghouse in a satisfactory manner, in violation of PTI 182-05C, EUBOFDESULF, S.C. III.3 and Rule 336.1910.

Additionally, AK Steel installed and operated a separate stand-alone backup skimming station, EUBACKUPSKIM, without first obtaining a permit to install. Be advised that Rule 336.1201 requires that a permit be obtained prior to installation, construction, operation, reconstruction, relocation, or alteration of any process or process equipment which may be a source of an air contaminant except as allowed in R 336.1202, R 336.1277 to R 336.1290, or R 336.2823(15). At this time, the facility could not adequately demonstrate compliance with Rule 336.1290 on a monthly basis for the most recent two year period as required by the permit to install exemption.

PTI 182-05C, EUBOF, S.C. V.7, states in part: "The permittee shall verify visible emissions, PM, PM10, PM2.5, NOx, and CO emission rates from the EUBOF ESP stack (including BOF oxygen blows), by testing at owner's expense, in accordance with Department requirements, within 180 days after permit issuance unless a test has been completed within two years prior to the effective date of this permit and the results submitted to the AQD for approval. The PM testing shall be performed with test methods as specified in Rule 336.1331. Subsequent testing will be required once every three years from the completion of the previous stack test."

PM, PM10, and PM2.5 testing of the ESP stack was performed in April 2013, which was within two years prior to the effective date of 182-05C permit issuance of May 12, 2014. The subsequent test was required once every three years from the prior test, or by April 2016. Testing was not performed until September 2016.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by November 4, 2016 (which coincides with 21 calendar days from the date of this letter). The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

If AK Steel believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirement cited, please provide appropriate factual information to explain your position. Thank you for your attention to resolving the violations cited above. If you have any questions regarding the violations

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or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,

A handwritten signature in black ink that reads "Katherine Koster". The signature is written in a cursive, flowing style.

Katherine Koster
Senior Environmental Engineer
Air Quality Division
313-456-4678

cc: Mr. Jim Earl, AK Steel
cc via email: Ms. Lynn Fiedler, DEQ
Ms. Mary Ann Dolehanty, DEQ
Mr. Chris Ethridge, DEQ
Mr. Thomas Hess, DEQ
Ms. Wilhemina McLemore, DEQ
Mr. Jeff Korniski, DEQ