STATE OF MISSOURI Jeremiah W. (Jay) Nixon, Governor • Sara Parker Pauley, Director

DEPARTMENT OF NATURAL RESOURCES

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SEP 3 0 2014

Mr. August Hoernschmeyer President, Peaceful Valley Service Co. 3408-B Peaceful Valley Rd. Owensville, MO 65066 Missouri Public Service Commission

Dear Mr. Hoernschemeyer:

Thank you for your letters dated May 19, 2014 and June 23, 2014 in which you commented on the proposed Water Quality Standards for ammonia and questioned if your "little creek" is in fact Waters of the State. Please note that I have attempted to call your office on several occasions, and left a voicemail message each time.

In your letter, you question the applicability of water quality standards for ammonia based on mussel species in your permit. On August 22, 2013, the U.S. Environmental Protection Agency (EPA) finalized new water quality criteria for ammonia, based on toxicity studies of mussels and gill breathing snails. Missouri's current ammonia criteria are based on toxicity testing of several species, but did not include data from mussels or gill breathing snails. Therefore, as stated in the Fact Sheet for your permit, the presence or absence of mussels is not a factor in the effluent limits applicable to your facility. The effluent limits in your permit are based off of the Water Quality Standards for ammonia per 10 CSR 20-7.031(5)(B)7.C. and Table B3 located in Chapter 7 with a default pH 7.8 SU. These Water Quality Standards cover the acute and chronic toxicity of fish. The Department has not come to a conclusion on when the new Water Quality Standards for ammonia will be adopted. However, because you are planning an upgrade it is the Department's opinion that it is in your best interest to plan for the 2013 EPA Water Quality Criteria for ammonia. But this is not a requirement, it is a recommendation.

The creek that runs through your property is a tributary to Cedar Branch. Though it is unclassified, tributary to Cedar Branch is considered Waters of the State. In order for a water body to not be considered waters of the state, the stream would have to originate on your property and you would need to own the entire watershed above that point. But even if you did own all of that property, the unclassified stream would become waters of the state as soon as it left your property. Therefore even if you purchased all of the land in the watershed, you would still be subject to effluent limits necessary to protect downstream water quality standards.

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Exhibit No Q

Date 9/23/14 Reporter R. Brewer

File No SR-2014-015-3

Mr. August Hoernschmeyer Page Two

Thank you for attaching your preliminary schedule of how you plan to proceed. The Department appreciates your timeliness. However, please send all information regarding your schedule of compliance and any further questions about compliance with this permit to the St. Louis Regional Office, 7545 S. Lindbergh, Suite 210, St. Louis, MO 63125. The regional office is in charge of assessing compliance, and needs this information to be able to track your compliance in our data system.

Again, thank you for your interest in this topic. If you have any more questions on the Water Quality Standards please direct them to the Mr. John Hoke of the Watershed Protection Section at (573) 526-1446. His section is forming a stakeholder group on the subject. We welcome your participation.

Sincerely,

WATER PROTECTION PROGRAM

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Environmental Specialist

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Gelebrating 40 years of taking care of Missouri's natural resources.

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