

U.S. Department of Labor
Occupational Safety and Health Administration
2900 4th Avenue North Suite 303
Billings, MT 59101
Phone: 406-247-7494 Fax: 406-247-7499



Citation and Notification of Penalty

To:

Cenex Harvest States, Inc. (aka CHS Inc.) dba Central
Montana Co-op
P.O. BOX 355
Columbus, MT 59019

Inspection Number: 29133

Inspection Date(s): 0311012011 - 0311112011

Issuance Date: 0910212011

Inspection Site:

420 Clough Ave.

Columbus, MT 59019

The violation(s) described in this Citation 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.

This Citation and Notification of Penalty (this Citation) describes violations of the Occupational Safety and Health Act of 1970. The penalty(ies) listed herein is (are) based on these violations. You must abate the violations referred to in this Citation by the dates listed and pay the penalties proposed, unless within 15 working days (excluding weekends and Federal holidays) from your receipt of this Citation and Notification of Penalty you mail a notice of contest to the U.S. Department of Labor Area Office at the address shown above. Please refer to the enclosed booklet (OSHA 3000) which outlines your rights and responsibilities and which should be read in conjunction with this form. Issuance of this Citation does not constitute a finding that a violation of the Act has occurred unless there is a failure to contest as provided for in the Act or, if contested, unless this Citation is affirmed by the Review Commission or a court.

Posting - The law requires that a copy of this Citation and Notification of Penalty be posted immediately in a prominent place at or near the location of the violation(s) cited herein, or, if it is not practicable because of the nature of the employer's operations, where it will be readily observable by all affected employees. This Citation must remain posted until the violation(s) cited herein has (have) been abated, or for 3 working days (excluding weekends and Federal holidays), whichever is longer. **The penalty dollar amounts need not be posted and may be marked out or covered up prior to posting.**

Informal Conference - An informal conference is not required. However, if you wish to have such a conference you may request one with the Area Director during the 15 working day contest period. During such an informal conference you may present any evidence or views which you believe would support an adjustment

to the citation(s) and/or penalty(ies)

If you are considering a request for an informal conference to discuss any issues related to this Citation and Notification of Penalty, you must take care to schedule it early enough to allow time to contest after the informal conference, should you decide to do so. Please keep in mind that a written letter of intent to contest must be submitted to the Area Director within 15 working days of your receipt of this Citation. The running of this contest period is not interrupted by an informal conference.

If you decide to request an informal conference, please complete, remove and post the Notice to Employees next to this Citation and Notification of Penalty as soon as the time, date, and place of the informal conference have been determined. Be sure to bring to the conference any and all supporting documentation of existing conditions as well as any abatement steps taken thus far. If conditions warrant, we can enter into an informal settlement agreement which amicably resolves this matter without litigation or contest.

Right to Contest – You have the right to contest this Citation and Notification of Penalty. You may contest all citation items or only individual items. You may also contest proposed penalties and/or abatement dates without contesting the underlying violations. **Unless you inform the Area Director in writing that you intend to contest the citation(s) and/or proposed penalty(ies) within 15 working days after receipt of the citation and the proposed penalty(ies) will become a final order of the Occupational Safety and Health Review Commission and may not be reviewed by any court or agency.**

Penalty Payment – Penalties are due within 15 working days of receipt of this notification unless contested. (See the enclosed booklet and the additional information provided related to the Debt Collection Act of 1982.) Make your check or money order payable to "DOL-OSHA". Please indicate the Inspection Number on the remittance.

OSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Notification of Corrective Action – For each violation which you do not contest, you must provide *abatement certification* to the Area Director of the OSHA office issuing the citation and identified above. This abatement certification is to be provided by letter within 10 calendar days after each abatement date. Abatement certification includes the date and method of abatement. If the citation indicates that the violation was corrected during the inspection, no abatement certification is required for that item. The abatement certification letter must be posted at the location where the violation appeared and the corrective action took place or employees must otherwise be effectively informed about abatement activities. A sample abatement certification letter is enclosed with this Citation. In addition, where the citation indicates that *abatement documentation* is necessary, evidence of the purchase or repair of equipment, photographs or video, receipts, etc., verifying that abatement has occurred is required to be provided to the Area Director.

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 U.S. Department of Labor Area Office at the address shown above.

Employer Rights and Responsibilities – The enclosed booklet (OSHA 3000) outlines additional employer rights and responsibilities and should be read in conjunction with this notification.

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 U.S. Department of Labor Area Office at the address shown above and postmarked within 15 working days (excluding weekends and Federal holidays) of the receipt by the employer of this Citation and Notification of Penalty.

Inspection Activity Data – You should be aware that OSHA publishes information on its inspection and citation activity on the Internet under the provisions of the Electronic Freedom of Information Act. The information related to these alleged violations will be posted when our system indicates that you have received this citation, but not sooner than 30 calendar days after the citation issuance date. You are encouraged to review the information concerning your establishment at www.osha.gov. If you have any dispute with the accuracy of the information displayed, please contact this office.

U.S. Department of Labor
Occupational Safety and Health Administration



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with OSHA to discuss the citation(s) issued on 0910212011. The conference will be held at the OSHA office located at 2900 4th Avenue North, Suite 303, Billings, MT 59101 on _____ at _____. Employees and/or representatives of employees have a right to attend an informal conference.



Citation and Notification of Penalty

Company Name: Cenex Harvest States, Inc. (aka CHS Inc.) , dba Central Montana Co-op
Inspection Site: 420 Clough Ave., , Columbus, MT 59019

Citation 1 Item 1 Type of Violation: **Serious**

29 CFR 1910.23(b)(3): Every window wall opening at a stairway landing, floor, platform, or balcony, from which there is a drop of more than 4 feet, and where the bottom of the opening is less than 3 feet above the platform or landing, was not guarded by standard slats, standard grill work (as specified in paragraph (e)(11) of this section), or standard railing. Where the window opening is below the landing, or platform, a standard toe board shall be provided.

On or about March 10, 2011 and at times prior thereto employees were exposed to a fall in excess of 40 feet due to lack of guarding on windows located at floor level in areas such as, but not limited to the mid and upper levels of the West Grain Storage Bin Head House.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 09/05/2011
Proposed Penalty: \$7000.00

Citation 1 Item 2 Type of Violation: **Serious**

29 CFR 1910.23(c)(1): Every open-sided floor or platform 4 feet or more above adjacent floor or ground level was not guarded by a standard railing (or the equivalent as specified in paragraph (e)(3) of this section) on all open sides except where there is entrance to a ramp, stairway, or fixed ladder. The railing shall be provided with a toeboard wherever, beneath the open sides, a person can pass.

On or about March 10, 2011 and at times prior thereto employees were exposed to a fall of approximately 9 feet to the concrete floor below while retrieving protein supplement in the Upper Storage Area of the Feed Store.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 09/05/2011
Proposed Penalty: \$6000.00



Citation and Notification of Penalty

Company Name: Cenex Harvest States, Inc. (aka CHS Inc.) , dba, Central Montana Co-op
Inspection Site: 420 Clough Ave., , Columbus, MT 59019

Citation 1 Item 3 Type of Violation: **Serious**

29 CFR 1910.23(c)(2): Every runway was not guarded by a standard railing (or the equivalent as specified in paragraph(e)(3) of this section) on all open sides 4 feet or more above floor or ground level.

(a) On or about March 10,2011 and at times prior thereto employees were exposed to a fall in excess of 40 feet to the ground below while gaining access from the East Silo to the ANNEX 6 bin.

(b) On or about March 10,2011 and at times prior thereto employees were exposed to a fall in excess of 40 feet to the ground below while going through the ANNEX 6 bin to the emergency exit or while cleaning or inspecting the ANNEX 6 bin.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 09/05/2011
Proposed Penalty: \$7000.00

Citation 1 Item 4 Type of Violation: **Serious**

29 CFR 1910.23(e)(1): A standard railing did not consist of top rail, intermediate rail, and posts, and shall have a vertical height of 42 inches nominal from upper surface of top rail to floor, platform, runway, or ramp level. The top rail shall be smooth-surfaced throughout the length of the railing. The intermediate rail shall be approximately halfway between the top rail and the floor, platform, runway, or ramp. The ends of the rails shall not overhang the terminal posts except where such overhang does not constitute a projection hazard.

On or about March 10, 2011 and at times prior thereto, employees were exposed of a fall of approximately 4 feet 6 inches to the ground below in the event they fell through the railing due to a missing mid-rail while entering the West Grain Storage Bin Office.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 09/05/2011
Proposed Penalty: \$3000.00



Citation and Notification of Penalty

Company Name: Cenex Harvest States, Inc. (aka CHS Inc.) , dba Central Montana Co-op
Inspection Site: 420 Clough Ave., , Columbus, MT 59019

Citation 1 Item 5 Type of Violation: **Serious**

29 CFR 1910.27(b)(1)(i): The distance between rungs, cleats, and steps exceeded 12 inches and were not uniform throughout the length of the ladder.

On or about March 10,2011 and at times prior thereto employees were exposed to a fall of approximately 8 feet to the wooden floor below in the event they missed a rung on a ladder while accessing/exiting areas such as but not limited to, the Upper Level of the East Head Houses because rung spaces were not uniform and exceeded 12 inches.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 0910512011
Proposed Penalty: \$3000.00

Citation 1 Item 6 Type of Violation: **Serious**

29 CFR 1910.146(d)(4)(iii): The employer did not provide communications equipment necessary for compliance with paragraphs (h)(3) and (i)(5) of this section.

On or about March 10,2011 and at times prior thereto, employees who entered permit required confined spaces such as but not limited to, East and West Grain Storage Boot Pit, with no means of communication with the outside attendant were exposed to hazardous atmospheres such as but not limited to phosphene gas, hydrogen sulfide, carbon monoxide gases or an oxygen deficient atmosphere. The attendant is required to maintain verbal communication with the entrant, at the entrance of the confined space with a vacuum that sits outside of the confined space entrance that has a 240 volt, three phase motor turning at 3,500 rpm. The entrant is at 14 to 18 feet below the attendant and back into the confined space out of line of sight. With the noise of the vacuum, verbal communication of an emergency from the entrant could go unheard.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 09/05/2011
Proposed Penalty: \$7000.00



Citation and Notification of Penalty

Company Name: Cenex Harvest States, Inc. (aka CHS Inc.) , dba Central Montana Co-op
Inspection Site: 420 Clough Ave., , Columbus, MT 59019

Citation 1 Item 7 Type of Violation: **Serious**

29 CFR 1910.272(g)(1)(iii): The atmosphere within a bin, silo, or tank was not tested for the presence of combustible gases, vapors, and toxic agents when the employer has reason to believe they may be present. Additionally, the atmosphere within a bin, silo, or tank was not tested for oxygen content unless there is continuous natural air movement or continuous forced-air ventilation before and during the period employees are inside. If the oxygen level is less than 19.5%, or if combustible gas or vapor is detected in excess of 10% of the lower flammable limit, or if toxic agents are present in excess of the ceiling values listed in Subpart Z of 29 CFR Part 1910, or if toxic agents are present in concentrations that will cause health effects which prevent employees from effecting self-rescue or communication to obtain assistance, the following provisions apply.

On or about May 10, 2011 and at times prior thereto, employees were exposed to being overcome by hazards such as but not limited to, hydrogen sulfide, carbon monoxide gases or an oxygen deficient atmosphere from the employer requiring entry to clean and inspect the permit required confined spaces such as but not limited to, the East Storage Elevator, West Storage Elevator, and ANNEX 6 Storage Bin without testing prior to entering.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 09/05/2011
Proposed Penalty: \$7000.00



Citation and Notification of Penalty

Company Name: Cenex Harvest States, Inc. (aka CHS Inc.) , dba Central Montana Co-op
Inspection Site: 420 Clough Ave., , Columbus, MT 59019

Citation 1 Item 8 Type of Violation: **Serious**

29 CFR 1910.272(j)(1): The employer did not develop and implement an effective written housekeeping program that establishes the frequency and method(s) determined best to reduce accumulations of fugitive grain dust on ledges, floors, equipment, and other exposed surfaces.

On or about March 10,2011 and at times prior thereto employees were exposed to fire and explosion hazards from the accumulation of a Class II Combustible Dust in areas such as but not limited to the East Head House, West Head House, East Boot Pit, West Boot Pit, and Grind Room due to the lack of implementation of an effective , written housekeeping program to eliminate the build up of the Class II Combustible Dust.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 09/19/2011
Proposed Penalty: \$7000.00

Citation 1 Item 9 Type of Violation: **Serious**

29 CFR 1910.307(c): Electrical installations. Equipment, wiring methods, and installations of equipment in hazardous (classified) locations were not intrinsically safe, approved for the hazardous (classified) location, or safe for the hazardous (classified) location.

(a) On or about March 10,2011 and at times prior thereto employees were exposed to fire and explosion hazards from non intrinsically safe electrical disconnects, with missing knock outs, and a non intrinsically safe electrical vacuum located in a hazardous location containing accumulations of up to 4 inches of Class II combustible dust in the West Head House top, and ground level.

(b) On or about March 10, 2011 and at times prior thereto employees were exposed to fire and explosion hazards from energized, broken electrical conduit with exposed wiring and an unapproved outlet located in a hazardous location containing accumulations of up to 4 inches Class II combustible dust in the East Head House top level.

(c) On or about March 10,2011 and at times prior thereto employees were exposed to fire and



Citation and Notification of Penalty

Company Name: Cenex Harvest States, Inc. (aka CHS Inc.) , dba Central Montana Co-op
Inspection Site: 420 Clough Ave., , Columbus, MT 59019

explosion hazards from non intrinsically safe electrical light bulbs, breaker boxes, electrical vacuum and outlets located in a hazardous location containing accumulations of up to 4 inches Class II dust in areas such as but not limited to the East Head House main level.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 0910512011
Proposed Penalty: \$7000.00

Citation 2 Item 1 Type of Violation: **Repeat**

29 CFR 1910.23(a)(5): Every pit and trapdoor floor opening, infrequently used, shall be guarded by a floor opening cover of standard strength and construction. While the cover is not in place, the pit or trap opening was not constantly attended by someone or was not protected on all exposed sides by removable standard railings.

(a) On or about March 10,2011 and at times prior thereto employees were exposed to a fall of approximately 14 feet when the West Grain Storage Boot Pit trapdoors are removed and not properly guarded. One trapdoor has an attendant who is monitoring the entrants; others are removed for ventilation without being guarded.

(b) On or about March 10,2011 and at times prior thereto employees were exposed to a fall of approximately 16 feet when the East Grain Storage Boot Pit trapdoors are removed and not properly guarded. One trapdoor has an attendant who is monitoring the entrants; others are removed for ventilation without being guarded.

CHS WAS PREVIOUSLY CITED FOR A VIOLATION OF THIS OCCUPATIONAL SAFETY AND HEALTH STANDARD WHICH WAS CONTAINED IN OSHA INSPECTION NUMBER 314316225 CITATION NUMBER 01, ITEM NUMBER 001 AND WAS AFFIRMED AS A FINAL ORDER ON MARCH 08,2011, WITH RESPECT TO A WORKPLACE LOCATED AT HC 31 BOX 3159, WOLF POINT, MONTANA 59201.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 0910512011
Proposed Penalty: \$35000.00



Citation and Notification of Penalty

Company Name: Cenex I-harvest States, Inc. (aka CHS Inc.) , dba Central Montana Co-op
Inspection Site: 420 Clough Ave., , Columbus, MT 59019

Citation 2 Item 2 Type of Violation: **Repeat**

29 CFR 1910.23(a)(8): Every floor hole into which persons can accidentally walk was not guarded.

(a) On or about March 10,2011 and at times prior thereto employees were exposed to a fall in excess of 40 feet when exiting the hand elevator with a floor opening located directly in front of the elevator.

(b) On or about March 10,2011 and at times prior thereto, employees were exposed to falls in excess of 40 feet while entering/exiting the ANNEX 6 Storage Bin from the upper level walkway coming from the East Storage Bin Upper Level.

CHS WAS PREVIOUSLY CITED FOR A VIOLATION OF THIS OCCUPATIONAL SAFETY AND HEALTH STANDARD WHICH WAS CONTAINED IN OSHA INSPECTION NUMBER 314356270 CITATION NUMBER 01, ITEM NUMBER 001 AND WAS AFFIRMED AS A FINAL ORDER ON AUGUST 31,2010, WITH RESPECT TO A WORKPLACE LOCATED AT 221 FIRST STREET NORTH, COURTENAY, NORTH DAKOTA, 58426.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: *09/05/2011*
Proposed Penalty: *\$35000.00*



Citation and Notification of Penalty

Company Name: Cenex Harvest States, Inc. (aka CHS Inc.) , dba Central Montana Co-op
Inspection Site: 420 Clough Ave., , Columbus, MT 59019

Citation 2 Item 3 Type of Violation: **Repeat**

29 CFR 1910.272(j)(2)(ii): The employer did not immediately remove any fugitive grain dust accumulations whenever they exceed 1/8 inch (.32 cm) at priority housekeeping areas, pursuant to the housekeeping program, or shall demonstrate and assure, through the development and implementation of the housekeeping program, that equivalent protection is provided.

On or about March 10,2011 and at times prior thereto employees were exposed to fire and explosion hazards from the accumulation up to approximately 4 inches in depth of Class II Combustible Dust located in areas such as but not limited to, East Head House, West Head House, East Head House Boot Pit, West Head House Boot Pit, ANNEX 6 Grain Storage Bit, and Grind Room.

CHS WAS PREVIOUSLY CITED FOR A VIOLATION OF THIS OCCUPATIONAL SAFETY AND HEALTH STANDARD WHICH WAS CONTAINED IN OSHA INSPECTION NUMBER 314475252 CITATION NUMBER 01, ITEM NUMBER 004 AND WAS AFFIRMED AS A FINAL ORDER ON DECEMBER 21,2010, WITH RESPECT TO A WORKPLACE LOCATED AT 7875 OLD HIGHWAY 44, DRAYTON, NORTH DAKOTA, 58426.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: *0910712011*
Proposed Penalty: *\$35000.00*

U.S. Department of Labor
Occupational Safety and Health Administration

Inspection Number: 29133
Inspection Date(s): 03/10/2011 - 03/11/2011
Issuance Date: 0910212011



Citation and Notification of Penalty

Company Name: Cenex Harvest States, Inc. (aka CHS Inc.) , dba Central Montana Co-op
Inspection Site: 420 Clough Ave., , Columbus, MT 59019

Citation 3 Item 1 Type of Violation: **Willful**

29 CFR 1910.146(d)(5)(i): Before authorizing entries to begin in permit required confined spaces, the employer did not test conditions in the permit spaces to determine if acceptable entry conditions existed.

On or about March 10,2011 and at times prior thereto, employees were exposed to being overcome by hazards such as but not limited to, phosphene gas, hydrogen sulfide, carbon monoxide gases or an oxygen deficient atmosphere from entering permit required confined spaces such as but not limited to, West Grain Storage Silo Boot Pit and East Grain Storage Silo Boot Pit without testing prior to entering (with the calibrated MSA ALTAIR 4 MultiGas meter purchased 7 months prior specifically for this application). The employers confined space entry permit had a place to enter the atmosphere test results that was left incomplete and still signed off as acceptable for entry by the Plant Manager.

ABATEMENT DOCUMENTATION REQUIRED FOR THIS ITEM

Date by which Violation must be Abated: 09/05/2011
Proposed Penalty: \$70000.00

A handwritten signature in black ink, appearing to read "Christine Webb", written over a horizontal line.

Christine Webb
Area Director

U.S. Department of Labor
Occupational Safety and Health Administration
2900 4th Avenue North
Suite 303
Billings, MT 59101
Phone: 406-247-7494 Fax: 406-247-7499



INVOICE / DEBT COLLECTION NOTICE

Company Name: Cenex **Harvest** States, Inc. (aka CHS Inc.) , dba **Central** Montana Co-op
Inspection Site: **420** Clough Ave., , Columbus, MT **59019**
Issuance Date: **09/02/2011**

Summary of Penalties for Inspection Number	29133
Citation 1 , Serious	\$54000.00
Citation 2 , Repeat - Serious	\$105000.00
Citation 3 , Willful - Serious	\$70000.00
TOTAL PROPOSED PENALTIES	\$229000.00

To avoid additional charges, please remit payment promptly to this Area Office for the total amount of the uncontested penalties summarized above. Make your check or money order payable to: "DOL-OSHA". Please indicate OSHA's Inspection Number (indicated above) on the remittance.

OSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than the full amount due, and will cash the check or money order as if these restrictions or conditions do not exist.

If a personal check is issued, it will be converted into an electronic fund transfer (EFT). This means that our bank will copy your check and use the account information on it to electronically debit your account for the amount of the check. The debit from your account will then usually occur within 24 hours and will be shown on your regular account statement. You will not receive your original check back. The bank will destroy your original check, but will keep a copy of it. If the EFT cannot be completed because of insufficient funds or closed account, the bank will attempt to make the transfer up to 2 times.

Pursuant to the Debt Collection Act of 1982 (Public Law 97-365) and regulations of the U.S. Department of Labor (29 CFR Part 20), the Occupational Safety and Health Administration is required to assess interest, delinquent charges, and administrative costs for the collection of delinquent penalty debts for violations of the Occupational Safety and Health Act.

Interest: Interest charges will be assessed at an annual rate determined by the Secretary of the Treasury on all penalty debt amounts not paid within one month (30 calendar days) of the date on which the debt amount becomes due and payable (penalty due date). The current interest rate is one percent (1%). Interest will accrue from the date on which the penalty amounts (as proposed or adjusted) become a final order of the Occupational Safety and Health Review Commission (that is, 15 working days from your receipt of the Citation and Notification of Penalty), unless you file a notice of contest. Interest charges will be waived if the full amount owed is paid within 30 calendar days of the final order.

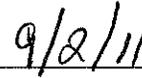
Delinquent Charges: A debt is considered delinquent if it has not been paid within one month (30 calendar days) of the penalty due date or if a satisfactory payment arrangement has not been made. If the debt remains delinquent for more than 90 calendar days, a delinquent charge of six percent (6%) per annum will be assessed accruing from the date that the debt became delinquent.

Administrative Costs: Agencies of the Department of Labor are required to assess additional charges for the recovery of delinquent debts. These additional charges are administrative costs incurred by the Agency in its attempt to collect an unpaid debt. Administrative costs will be assessed for demand letters sent in an attempt to collect the unpaid debt.



Christine Webb

Area Director



Date