

U.S. Department of Labor

Occupational Safety and Health Administration
4802 E. Broadway
Madison, WI 53716
Phone: 608-441-5388 Fax: 608-441-5400



Citation and Notification of Penalty

To:
United Ethanol LLC
1250 Chicago Street
Milton, WI 53563

Inspection Number: 904760
Inspection Date(s): 05/14/2013 - 10/16/2013
Issuance Date: 10/16/2013

Inspection Site:
1250 Chicago Street
Milton, WI 53563

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 either call to schedule an informal conference (see paragraph below) or** 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.

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, the citation(s) 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, training records, 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. 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.



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with OSHA to discuss the citation(s) issued on 10/16/2013. The conference will be held by telephone or at the OSHA office located at 4802 E. Broadway, Madison, WI 53716 on _____ at _____. Employees and/or representatives of employees have a right to attend an informal conference.

CERTIFICATION OF CORRECTIVE ACTION WORKSHEET

Inspection Number: 904760

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563
Issuance Date: 10/16/2013

List the specific method of correction for each item on this citation in this package that does not read "Corrected During Inspection" and return to: **U.S. Department of Labor – Occupational Safety and Health Administration, 4802 E. Broadway, Madison, WI 53716**

Citation Number _____ and Item Number _____ was corrected on _____
By (Method of Abatement): _____

Citation Number _____ and Item Number _____ was corrected on _____
By (Method of Abatement): _____

Citation Number _____ and Item Number _____ was corrected on _____
By (Method of Abatement): _____

Citation Number _____ and Item Number _____ was corrected on _____
By (Method of Abatement): _____

Citation Number _____ and Item Number _____ was corrected on _____
By (Method of Abatement): _____

Citation Number _____ and Item Number _____ was corrected on _____
By (Method of Abatement): _____

I certify that the information contained in this document is accurate and that the affected employees and their representatives have been informed of the abatement.

Signature

Date

Typed or Printed Name

Title

NOTE: 29 USC 666(g) whoever knowingly makes any false statements, representation or certification in any application, record, plan or other documents filed or required to be maintained pursuant to the Act shall, upon conviction, be punished by a fine of not more than \$10,000 or by imprisonment of not more than 6 months or both.

POSTING: A copy of completed Corrective Action Worksheet should be posted for employee review



Citation and Notification of Penalty

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563

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

29 CFR 1910.119(d)(3)(i)(B): Information pertaining to the equipment in the process did not include piping and instrument diagrams (P&ID's):

On or about May 14, 2013, the employer's process safety information did not include piping and instrument diagrams that accurately represented equipment in the covered, including but not limited to, the following:

- a) A gate valve tagged V31729 on the 24" line from the Beer Column to the Beer Column reboiler pump(s) #1 and #2 is not depicted on the P&IDs.
- b) The valve on the 6" line from the beer booster pump to the beer column feed heater is tagged V41129, but the P&IDs indicate the tag number is V41113.
- c) The valve on the 6" line to the CIP return from the Beer Booster Pump is tagged V41187, but the P&IDs indicate the tag number is V41114.
- d) The valve on the 3" line from the Rectifier Column to the Stripper Column is tagged V46165, but the P&ID indicates the tag number is V42127.
- e) The valve on the 3" line from the Stripper Column to the Stripper Column Reboiler and/or Process Condensate Tank is tagged V42127, but the P&IDs indicate the tag number is V46165.
- f) The pipe run from the Rectifier Column to the Beer Column has been capped and the pipe run removed, but is still depicted on the P&IDs.
- g) A piping run, inclusive of control valves, was installed for draining the Beer Column Reboiler and not depicted on the P&IDs.
- h) A valve installed on the 8" line outlet from the Rectifier Column was not depicted on the P&IDs.
- i) A strainer installed on the 8" line outlet from the Rectifier Column was not depicted on the P&IDs.

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

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

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Citation and Notification of Penalty

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563

- j) A valve from the Rectifier Column to the Stripper Column is labeled V51122, but the P&IDs indicate the tag number is V42123.

ABATEMENT CERTIFICATION IS REQUIRED PER 29 CFR 1903.19(c).

Date By Which Violation Must be Abated: 11/06/2013
Proposed Penalty: \$5000.00

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

29 CFR 1910.119(e)(3)(v): The process hazard analysis did not address facility siting.

On or about August 16, 2013, the employer's Process Hazard Analysis did not address facility siting, including but not limited to, the proximity of the ignition source created by the corn delivery traffic in relation to the Class I, Division 2 locations at dispensing and filling of the tanker trucks, dispensing and filling of the railcars, and the bulk storage of ethanol and denaturant.

ABATEMENT CERTIFICATION IS REQUIRED PER 29 CFR 1903.19(c)

Date By Which Violation Must be Abated: 11/06/2013
Proposed Penalty: \$5000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

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

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Citation and Notification of Penalty

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563

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

29 CFR 1910.119(f)(1)(i)(D): The employer did not develop and implement written operating procedures that provide clear instructions for emergency shutdown, including the conditions under which emergency shutdown is required, and the assignment of shutdown responsibility to qualified operators to ensure that emergency shutdown is executed in a safe and timely manner.

On or about May 14, 2013, the employer did not develop written operating procedures that provided clear instructions for emergency shutdown, including the conditions under which emergency shutdown is required, and the assignment of shutdown responsibilities for the covered process.

ABATEMENT CERTIFICATION IS REQUIRED PER 29 CFR 1903.19(c)

Date By Which Violation Must be Abated:
Proposed Penalty:

11/06/2013
\$5000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

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

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Citation and Notification of Penalty

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563

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

29 CFR 1910.119(f)(3): The employer did not annually certify that operating procedures were current and accurate.

On or about May 14, 2013, the employer did not annually certify that the Distillation operating procedures were current and accurate, including but not limited to, the Distillation operating procedures.

ABATEMENT CERTIFICATION IS REQUIRED PER 29 CFR 1903.19(c)

Date By Which Violation Must be Abated:
Proposed Penalty:

11/06/2013
\$5000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

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

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Citation and Notification of Penalty

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563

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

29 CFR 1910.119(j)(4)(i): The employer did not perform inspection and tests on process equipment

On or about August 16, 2013, the employer failed to perform inspections and tests on the controls, including alarms and interlocks, for the covered process.

- a) The beer column's high pressure alarm.
- b) The beer column's high pressure interlock, changing the process from auto mode to manual mode when any two pressure indicators alarm.
- c) The rectifier column's high pressure alarm.
- d) The rectifier column's high pressure interlock, changing the process from auto mode to manual mode when any two pressure indicators alarm.
- e) The stripper column's high level interlock, shutting down the rectifier bottoms pump and the steam control valve to the stripper column, when the level inside the stripper column exceeds 90%.

ABATEMENT CERTIFICATION IS REQUIRED PER 29 CFR 1903.19(c)

Date By Which Violation Must be Abated:	11/06/2013
Proposed Penalty:	\$5000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.



Citation and Notification of Penalty

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563

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

29 CFR 1910.119(o)(4): The employer did not promptly determine and document an appropriate response to each of the findings of the compliance audit, and document that deficiencies have been corrected:

On or about May 14, 2013, the employer did not determine and document an appropriate response to each of the compliance audit findings from the PSM Audit performed on June 15, 16 & 17, 2010 of the ethanol plant, including but not limited to the following findings:

- a) No consultation with employees on the content and frequency of refresher training (item #4).
- b) Not conducting refresher training for operators on at least a three year interval (Item #12).
- c) Lack of employee participation in the review and revision of standard operating procedures (Item #4).
- d) Failure to develop emergency shutdown procedures, including the conditions under which emergency shutdown is required, and the assignment of shutdown responsibility to qualified operators to ensure that emergency shutdown is executed in a safe and timely manner (Item #8).
- e) Lack of an annual certification that the standard operating procedures are current and accurate (Item #9).

ABATMENT CERTIFICATION IS REQUIRED PER 29 CFR 1903.19(c).

Date By Which Violation Must be Abated: 11/06/2013
Proposed Penalty: \$5000.00

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

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Citation and Notification of Penalty

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563

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

29 CFR 1910.176(c): Storage areas were not kept free from accumulation of materials that constituted hazards from tripping, fire, explosion or pest harborage:

On or about May 15, 2013, in building 5, strong chlorinated base chemicals were stored next to strong acid. Accidental mixture of these chemicals may create an exothermic reaction and cause a chemical fire.

Date By Which Violation Must be Abated:
Proposed Penalty:

Corrected During Inspection
\$5000.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

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

Inspection Number: 904760
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Citation and Notification of Penalty

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563

Citation 2 Item 1 Type of Violation: **Other-than-Serious**

29 CFR 1910.119(c)(2): The employer did not consult with employees and their representatives on the conduct and development of process hazards analyses and on the development of the other elements of process safety management in this standard.

On or about May 14, 2013, the employer did not consult with employees on the conduct and development of the elements of the process safety management program for the ethanol process, including but not limited to, the following elements:

- a) The employer did not consult with employees on the content and frequency of refresher training.
- b) The employer did not include employees in the participation in the review and revision of the standard operating procedures for the distillation process.

ABATEMENT CERTIFICATION IS REQUIRED PER 29 CFR 1903.19(c)

Date By Which Violation Must be Abated:	11/06/2013
Proposed Penalty:	\$0.00

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

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

Inspection Number: 904760
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Citation and Notification of Penalty

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563

Citation 2 Item 2 Type of Violation: **Other-than-Serious**

29 CFR 1910.119(g)(2): Refresher training was not provided at least every three years to each employee involved in operating a process to assure that the employee understands and adheres to the current operating procedures of the process:

On or about May 14, 2013, the employer did not provide refresher training to the ethanol plant operators at least every three years.

ABATEMENT CERTIFICATION IS REQUIRED PER 29 CFR 1903.19(c)

Date By Which Violation Must be Abated:
Proposed Penalty:

11/06/2013
\$0.00

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

Kimberly A. Stille
Area Director

See pages 1 through 4 of this Citation and Notification of Penalty for information on employer and employee rights and responsibilities.

U.S. Department of Labor
Occupational Safety and Health Administration
4802 E. Broadway
Madison, WI 53716
Phone: 608-441-5388 Fax: 608-441-5400



INVOICE / DEBT COLLECTION NOTICE

Company Name: United Ethanol LLC
Inspection Site: 1250 Chicago Street, Milton, WI 53563
Issuance Date: 10/16/2013

Summary of Penalties for Inspection Number	904760
Citation 1, Serious	\$35000.00
Citation 2, Other-than-Serious	\$0.00
TOTAL PROPOSED PENALTIES	\$35000.00

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.

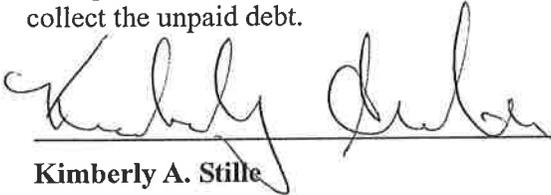
If a personal check is issued, it will be converted into an electronic fund transfer (EFT). This means that our bank will copy your check and use the account information on it to electronically debit your account for the amount of the check. The debit from your account will then usually occur within 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.



Kimberly A. Stille

Area Director

10-16-13
Date