EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2006-2255-AIR-E TCEQ ID: RN100214501 CASE NO.: 32068
RESPONDENT NAME: Energy Transfer Fuel, LP

ORDER TYPE:

_X_1660 AGREED ORDER	__FINDINGS AGREED ORDER	__AMENDED ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__SHUTDOWN ORDER	__FINDINGS DEFAULT ORDER	__EMERGENCY ORDER	

CASE TYPE:

__AGRICULTURE	_X_AIR	__INDUSTRIAL AND HAZARDOUS WASTE	__MUNICIPAL SOLID WASTE
__OCCUPATIONAL CERTIFICATION	__PETROLEUM STORAGE TANKS	__PUBLIC WATER SUPPLY	__RADIOACTIVE WASTE
__MULTI-MEDIA (check all that apply)	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL	__USED OIL
__USED OIL FILTER	__WATER QUALITY		

SITE WHERE VIOLATION(S) OCCURRED: Bethel Compressor Station, 1.8 miles south of Bethel on Farm-to-Market Road 2706, 1.2 miles west on County Road 2608, Anderson County

TYPE OF OPERATION: Natural gas compression station

SMALL BUSINESS: ___Yes __X_No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on April 9, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Ms. Lindsey Jones, Enforcement Division, Enforcement Section III, MC 149, (512) 239-4930; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

Respondent: Mr. Bobby Bankhead, Director of Pipeline Operations, Energy Transfer Fuel, LP, 800 East Sonterra Boulevard, Suite 400, San Antonio, Texas 78258
Mr. Clint W. Cowan, Environmental Director, Energy Transfer Fuel, LP, 800 East Sonterra Boulevard, Suite 400, San Antonio, Texas 78258

Respondent's Attorney: Not represented by counsel on this enforcement matter

RESPONDENT'S NAME: Energy Transfer Fuel, LP
DOCKET NO.: 2006-2255-AIR-E

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: ___Complaint _X_Routine ___Enforcement Follow-up ___Records Review **Date of Complaint Relating to this Case:** None **Date of Investigation Relating to this Case:** November 15, 2006 **Date of NOE Relating to this Case:** December 7, 2006 (NOE) **Background Facts:** This was a routine investigation. One violation was documented. **AIR** Failed to submit an annual compliance certification no later than 30 days after the end of the certification period. Specifically, the annual compliance certification for the February 27, 2005 through February 27, 2006 period was due no later than March 29, 2006 but was not received until July 31, 2006 [30 TEX. ADMIN. CODE § 122.146(2), Federal Operating Permit No. O-02457, General Terms and Conditions, and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total assessed:** $1,875 **Total Deferred:** $375 _X_Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $1,500 **Site Compliance History Classification:** _X_High __Average __Poor **Person Compliance History Classification:** __High _X_Average __Poor **Major Source:** _X_Yes __No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** The Executive Director recognizes that Energy Transfer submitted an annual compliance certification for the February 27, 2005 to February 27, 2006 period which was received by the TCEQ on July 31, 2006.

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) — *PCW Revision December 8, 2006*

TCEQ

DATES					
Assigned	11-Dec-2006				
PCW	18-Dec-2006	Screening	18-Dec-2006	EPA Due	12-Aug-2007

RESPONDENT/FACILITY INFORMATION

Respondent	Energy Transfer Fuel, LP		
Reg. Ent. Ref. No.	RN100214501		
Facility/Site Region	5-Tyler	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	32068	No. of Violations	1
Docket No.	2006-2255-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Lindsey Jones
Multi-Media		EC's Team	Enforcement Team 5
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* $2,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History — 0% Enhancement — *Subtotals 2, 3, & 7* $0

Notes: No adjustment due to average performer classification.

Culpability — No — 0% Enhancement — *Subtotal 4* $0

Notes: Respondent does not meet the culpability criteria.

Good Faith Effort to Comply — 25% Reduction — *Subtotal 5* $625

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes: The Respondent came into compliance on July 31, 2006.

0% Enhancement* — *Subtotal 6* $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$4
Approx. Cost of Compliance	$250

SUM OF SUBTOTALS 1-7 — *Final Subtotal* $1,875

OTHER FACTORS AS JUSTICE MAY REQUIRE — *Adjustment* $0

Reduces or enhances the Final Subtotal by the indicated percentage. *(Enter number only; e.g. -30 for -30%.)*

Notes:

Final Penalty Amount $1,875

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* $1,875

DEFERRAL — 20% Reduction — *Adjustment* -$375

Reduces the Final Assessed Penalty by the indicted percentage. *(Enter number only; e.g. 20 for 20% reduction.)*

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $1,500

Screening Date	18-Dec-2006	**Docket No.** 2006-2255-AIR-E	**PCW**
Respondent	Energy Transfer Fuel, LP		*Policy Revision 2 (September 2002)*
Case ID No.	32068		*PCW Revision December 8, 2006*
Reg. Ent. Reference No.	RN100214501		
Media [Statute]	Air Quality		
Enf. Coordinator	Lindsey Jones		

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (*number of NOVs meeting criteria*)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (*number of judgements or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which notices were submitted*)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%

		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes: No adjustment due to average performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

Screening Date	18-Dec-2006	**Docket No.** 2006-2255-AIR-E	**PCW**
Respondent	Energy Transfer Fuel, LP		*Policy Revision 2 (September 2002)*
Case ID No.	32068		*PCW Revision December 8, 2006*
Reg. Ent. Reference No.	RN100214501		
Media [Statute]	Air Quality		
Enf. Coordinator	Lindsey Jones		

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 122.146(2), Federal Operating Permit No. O-02457, General Terms and Conditions, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit an annual compliance certification no later than 30 days after the end of the certification period, as documented in an investigation on November 15, 2006. Specifically, the annual compliance certification for the February 27, 2005 through February 27, 2006 period was due no later than March 29, 2006 but was not received until July 31, 2006.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: The Respondent failed to comply with 100% of the rule requirement.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events: 1

124 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $4

Statutory Limit Test

Violation Final Penalty Total $1,875

This violation Final Assessed Penalty (adjusted for limits) $1,875

Economic Benefit Worksheet

Respondent Energy Transfer Fuel, LP
Case ID No. 32068
Reg. Ent. Reference No. RN100214501
Media Air Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System	$250	29-Mar-2006	31-Jul-2006	0.3	$4	n/a	$4
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated cost for preparation and submittal of permit compliance certification. Date Required is the last date the certification should have been submitted and Final Date is the date the certification was received.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $250

TOTAL: $4

Compliance History

Customer/Respondent/Owner-Operator:	CN602673071	Energy Transfer Fuel, LP	Classification: AVERAGE	Rating: 2.64
Regulated Entity:	RN100214501	BETHEL COMPRESSOR STATION	Classification: HIGH	Site Rating: 0.00

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	AA0035V
	AIR OPERATING PERMITS	PERMIT	2457
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	AA0035V
	AIR NEW SOURCE PERMITS	AFS NUM	0012
	AIR NEW SOURCE PERMITS	REGISTRATION	13718

Location: 1.8 miles south of Bethel on FM 2706, 1.2 miles west on County Rd. 2608 — Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: December 18, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: December 18, 2001 to December 18, 2006

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Lindsey Jones Phone: 512-239-4930

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period?	Yes
2. Has there been a (known) change in ownership of the site during the compliance period?	No
3. If Yes, who is the current owner?	N/A
4. If Yes, who was/were the prior owner(s)?	N/A
5. When did the change(s) in ownership occur?	N/A

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 01/24/2002 (65811)
2 12/07/2006 (533027)
3 04/21/2005 (377162)
4 06/30/2005 (398056)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

N/A

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
ENERGY TRANSFER FUEL, LP	§	
RN100214501	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-2255-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Energy Transfer Fuel, LP ("Energy Transfer") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Energy Transfer appear before the Commission and together stipulate that:

1. Energy Transfer owns and operates a natural gas compression station 1.8 miles south of Bethel on Farm-to-Market Road 2706, 1.2 miles west on County Road 2608 in Anderson County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

3. The Commission and Energy Transfer agree that the Commission has jurisdiction to enter this Agreed Order, and that Energy Transfer is subject to the Commission's jurisdiction.

4. Energy Transfer received notice of the violation alleged in Section II ("Allegations") on or about December 12, 2006.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Energy Transfer of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of One Thousand Eight Hundred Seventy-Five Dollars ($1,875) is assessed by the Commission in settlement of the violations alleged in Section II

("Allegations"). Energy Transfer has paid One Thousand Five Hundred Dollars ($1,500) of the administrative penalty and Three Hundred Seventy-Five Dollars ($375) is deferred contingent upon Energy Transfer's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Energy Transfer fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Energy Transfer to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

8. The Executive Director of the TCEQ and Energy Transfer have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

9. The Executive Director recognizes that Energy Transfer submitted an annual compliance certification for the February 27, 2005 to February 27, 2006 period which was received by the TCEQ on July 31, 2006.

10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Energy Transfer has not complied with one or more of the terms or conditions in this Agreed Order.

11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, Energy Transfer is alleged to have failed to submit an annual compliance certification no later than 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE § 122.146(2), Federal Operating Permit No. O-02457, General Terms and Conditions, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on November 15, 2006. Specifically, the annual compliance certification for the February 27, 2005 through February 27, 2006 period was due no later than March 29, 2006 but was not received until July 31, 2006.

III. DENIALS

Energy Transfer generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Energy Transfer pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Energy Transfer's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Energy Transfer Fuel, LP, Docket No. 2006-2255-AIR-E" to:

   Financial Administration Division, Revenues Section
   Attention: Cashier's Office, MC 214
   Texas Commission on Environmental Quality
   P.O. Box 13088
   Austin, Texas 78711-3088

2. The provisions of this Agreed Order shall apply to and be binding upon Energy Transfer. Energy Transfer is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

3. This Agreed Order, issued by the Commission, shall not be admissible against Energy Transfer in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.

5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Energy Transfer, or three days after the date on which the Commission mails notice of the Order to Energy Transfer, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 4/27/07
For the Executive Director Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

_____ 2/2/07
Signature Date

Clint W. Cowan Environmental Director
Name (Printed or typed) Title
Authorized Representative of
Energy Transfer Fuel, LP

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.