

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-0008-AIR-E **TCEQ ID:** RN100215532 **CASE NO.:** 32067
RESPONDENT NAME: Southern Union Pipeline, Ltd.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Mivida Treater Plant, approximately 8 miles north of the intersection of Business 20 and Farm-to-Market Road 516, Barstow, Ward County</p> <p>TYPE OF OPERATION: Natural gas treatment plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on May 14, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Audra Ruble, Enforcement Division, Enforcement Team 4, MC R-14, (361) 825-3126; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896 Respondent: Mr. Herb Harless, Director, EH&S, 301 Commerce Street, Suite 700, Fort Worth, Texas 76102 Ms. Mary Valencia, EH&S Coordinator, Southern Union Pipeline, Ltd., 500 W. Texas Ave., Suite 920, Midland, Texas 79701 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

2007 JUL 24 AM 10:57
 CHIEF CLERK'S OFFICE
 TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: October 5, 2006</p> <p>Date of NOE Relating to this Case: November 28, 2006 (NOE)</p> <p>Background Facts: This was a routine investigation. One violation was documented.</p> <p>WASTE</p> <p>Failed to submit a general operating permit ("GOP") revision application following a major change in the mode of operation. Specifically, the No. 2 and 3 glycol dehydration reboiler vents were diverted from the tail gas incinerator to the flare. The current permit does not authorize this action [30 TEX. ADMIN. CODE § 122.503(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$3,050</p> <p>Total Deferred: \$610 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$2,440</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>1) The Executive Director recognizes that Southern Union submitted the permit revision application on December 22, 2006.</p> <p>Ordering Provisions:</p> <p>2) The order will require the Respondent to:</p> <p>a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning its permit application within 30 days after the date of such requests, or by any other deadline specified in writing; and</p> <p>b. Within 180 days after the effective date of this Agreed Order, submit written certification Operating Permit No. O-00608 has been revised.</p>



Penalty Calculation Worksheet (PCW)

DATES	Assigned	4-Dec-2006	Screening	21-Dec-2006	EPA Due	
	PCW	3-Jan-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	Southern Union Pipeline, Ltd.		
Reg. Ent. Ref. No.	RN100215532		
Facility/Site Region	7-Midland	Major/Minor Source	Major

CASE INFORMATION				
Enf./Case ID No.	32067	No. of Violations	1	
Docket No.	2007-0008-AIR-E	Order Type	1660	
Media Program(s)	Air Quality	Enf. Coordinator	Audra L. Ruble	
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	22% Enhancement	Subtotals 2, 3, & 7	\$550
---------------------------	-----------------	---------------------	-------

Notes: The Respondent has received one previous NOV for non-similar violations and one 1660 Order in the past five years.

Culpability	No	0% Enhancement	Subtotal 4	\$0
--------------------	----	----------------	------------	-----

Notes: Respondent does not meet the culpability criteria.

Good Faith Effort to Comply	0% Reduction	Subtotal 5	\$0
------------------------------------	--------------	------------	-----

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

Notes: The Respondent does not meet the good faith effort criteria.

	0% Enhancement*	Subtotal 6	\$0
Total EB Amounts	\$84	*Capped at the Total EB \$ Amount	
Approx. Cost of Compliance	\$1,000		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$3,050
-----------------------------	----------------	---------

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	\$3,050
----------------------	---------

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$3,050
-----------------------------------	------------------------	---------

DEFERRAL	20% Reduction	Adjustment	-\$610
-----------------	---------------	------------	--------

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

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$2,440
------------------------	---------

Screening Date 21-Dec-2006

Docket No. 2007-0008-AIR-E

PCW

Respondent Southern Union Pipeline, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32067

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100215532

Media [Statute] Air Quality

Enf. Coordinator Audra L. Ruble

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	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	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 judgments 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) 22%

>> 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

The Respondent has received one previous NOV for non-similar violations and one 1660 Order in the past five years.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 22%

Screening Date 21-Dec-2006

Docket No. 2007-0008-AIR-E

PCW

Respondent Southern Union Pipeline, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32067

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN100215532

Media [Statute] Air Quality

Enf. Coordinator Audra L. Ruble

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 122.503(a)(1) and Tex. Health and Safety Code § 382.085(b)

Violation Description Failed to submit a GOP revision application following a major change in the mode of operation, as documented during an investigation conducted on October 5, 2006. Specifically, the No. 2 and 3 glycol dehydration reboiler vents were diverted from the tail gas incinerator to the flare. The current permit does not authorize this action.

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

100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

387 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 based on the date of investigation (October 5, 2006).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$84

Violation Final Penalty Total \$3,050

This violation Final Assessed Penalty (adjusted for limits) \$3,050

Economic Benefit Worksheet

Respondent: Southern Union Pipeline, Ltd.
Case ID No.: 32067
Reg. Ent. Reference No.: RN100215532
Media: Air Quality
Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

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				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$1,000	29-Nov-2005	1-Aug-2007	1.7	\$84	n/a	\$84
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to prepare and submit a permit revision application to the TCEQ. Date required is when the application should have been submitted and final date is when compliance is expected to be achieved.

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

\$1,000

TOTAL

\$84

Compliance History

Customer/Respondent/Owner-Operator: CN603024811 Southern Union Pipeline, Ltd. Classification: AVERAGE Rating: 5.63
 Regulated Entity: RN100215532 MIVIDA TREATER PLANT Classification: AVERAGE Site Rating: 0.18

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	WC0014E
	AIR OPERATING PERMITS	PERMIT	608
	AIR NEW SOURCE PERMITS	PERMIT	1306
	AIR NEW SOURCE PERMITS	PERMIT	19856
	AIR NEW SOURCE PERMITS	PERMIT	20934
	AIR NEW SOURCE PERMITS	PERMIT	43410
	AIR NEW SOURCE PERMITS	PERMIT	48022
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	WC0014E
	AIR NEW SOURCE PERMITS	AFS NUM	0007
	AIR NEW SOURCE PERMITS	REGISTRATION	76739
	AIR NEW SOURCE PERMITS	REGISTRATION	77239

Location: From the intersection of Business 20 and FM 516 in Barstow, Texas, go north on FM 516 for about 8 miles to Mi Vida Treater Plant Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 07 - MIDLAND

Date Compliance History Prepared: December 19, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: December 19, 2001 to December 19, 2006

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

Name: Audra Ruble Phone: 361-825-3126

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes Southern Union Pipeline, Ltd.
2. Has there been a (known) change in ownership of the site during the compliance period? Yes Southern Union Pipeline, Ltd.
3. If Yes, who is the current owner? Southern Union Pipeline, Ltd.
4. If Yes, who was/were the prior owner(s)?
Sid Richardson Pipeline, Ltd.
Sid Richardson Carbon & Energy Co.
Sid Richardson Pipeline, Ltd.
5. When did the change(s) in ownership occur?
08/26/2002
12/05/2004
03/06/2006

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 Effective Date: 04/06/2002 ADMINORDER 2001-0033-AIR-E
 Classification:
 Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)
 Description: Failure to submit their second compliance certification in a timely manner.
- 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 06/21/2002 (140438)
 2 04/04/2002 (140437)
 3 01/13/2006 (451786)
 4 06/24/2002 (286301)
 5 07/12/2004 (273797)
 6 11/05/2004 (333223)
 7 03/31/2006 (458798)
 8 07/15/2004 (282255)
 9 01/22/2003 (22384)

- 10 05/16/2003 (33641)
- 11 05/03/2006 (464908)
- 12 11/29/2006 (515760)
- 13 08/12/2003 (149852)
- 14 01/05/2004 (256996)

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

Date: 03/29/2006 (458798)

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(c)

Description: Failure to comply with 30 TAC 101.201 (c) for Incident 68376.

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(2)(A)

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to obtain an affirmative defense for unauthorized emissions during Incident 68376.

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
ENFORCEMENT ACTION
CONCERNING
SOUTHERN UNION PIPELINE, LTD.
RN100215532**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-0008-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 Southern Union Pipeline, Ltd. ("Southern Union") 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 Southern Union appear before the Commission and together stipulate that:

1. Southern Union owns and operates a natural gas treatment plant located approximately 8 miles north of the intersection of Business 20 and Farm-to-Market Road 516 in Barstow, Ward 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 Southern Union agree that the Commission has jurisdiction to enter this Agreed Order, and that Southern Union is subject to the Commission's jurisdiction.
4. Southern Union received notice of the violations alleged in Section II ("Allegations") on or about December 3, 2006.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Southern Union of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Three Thousand Fifty Dollars (\$3,050) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Southern Union has paid Two Thousand Four Hundred Forty Dollars (\$2,440) of the administrative penalty and Six Hundred Ten Dollars (\$610) is deferred contingent upon Southern Union's timely and

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

2007 JUL 24 AM 10:57

CHIEF CLERKS OFFICE

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 Southern Union fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Southern Union 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 Southern Union 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 Southern Union submitted the permit revision application on December 22, 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 Southern Union 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, Southern Union is alleged to have failed to submit a general operating permit ("GOP") revision application following a major change in the mode of operation, in violation of 30 TEX. ADMIN. CODE § 122.503(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on October 5, 2006. Specifically, the No. 2 and 3 glycol dehydration reboiler vents were diverted from the tail gas incinerator to the flare. The current permit does not authorize this action.

III. DENIALS

Southern Union generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

Handwritten notes at the top right of the page, possibly a date or reference number.

First paragraph of the document, containing several lines of faint, illegible text.

Second paragraph of the document, continuing the faint, illegible text.

Third paragraph of the document, continuing the faint, illegible text.

Fourth paragraph of the document, continuing the faint, illegible text.

Fifth paragraph of the document, continuing the faint, illegible text.

Handwritten section header or title in the center of the page.

Sixth paragraph of the document, continuing the faint, illegible text.

Seventh paragraph of the document, continuing the faint, illegible text.

Handwritten section header or title at the bottom of the page.



1. It is, therefore, ordered by the TCEQ that Southern Union pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Southern Union'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: Southern Union Pipeline, Ltd., Docket No. 2007-0008-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. It is further ordered that Southern Union shall undertake the following technical requirements:
 - a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning its permit application within 30 days after the date of such requests, or by any other deadline specified in writing; and
 - b. Within 180 days after the effective date of this Agreed Order, submit written certification Operating Permit No. O-00608 has been revised. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section, Manager
Midland Regional Office
Texas Commission on Environmental Quality
3300 North A Street, Building 4, Suite 107
Midland, Texas 79705-5404

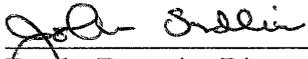
3. The provisions of this Agreed Order shall apply to and be binding upon Southern Union. Southern Union is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

4. If Southern Union fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Southern Union's failure to comply is not a violation of this Agreed Order. Southern Union shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Southern Union shall notify the Executive Director within seven days after Southern Union becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Southern Union shall be made in writing to the Executive Director. Extensions are not effective until Southern Union receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Southern Union 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.
7. 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.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Southern Union, or three days after the date on which the Commission mails notice of the Order to Southern Union, 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



For the Executive Director

7/12/07

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.



Signature

3-14-07

Date

Herb Harless

Name (Printed or typed)
Authorized Representative of
Southern Union Pipeline, Ltd.

Director, EHS

Title

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.

