

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**

**DOCKET NO.:** 2008-0963-AIR-E **TCEQ ID:** RN100225739 **CASE NO.:** 36042

**RESPONDENT NAME:** Citgo Products Pipeline Company

<b>ORDER TYPE:</b>		
<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	
<b>CASE TYPE:</b>		
<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><b>SITE WHERE VIOLATION(S) OCCURRED:</b> Arlington Pumping Station Pipeline Breakout Station, 3301 South Highway 157, Euless, Tarrant County</p> <p><b>TYPE OF OPERATION:</b> Gasoline pipeline operation</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on December 8, 2008. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>                  TCEQ Attorney/SEP Coordinator: None                  TCEQ Enforcement Coordinator: Mr. Daniel Siringi, Enforcement Division, Enforcement Team 5, MC R-10, (409) 899-8799; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171                  Respondent: Mr. Jim Sanders, Manager, Southwest Regional Terminal Facilities, Citgo Products Pipeline Company, 3301 South Highway 157, Euless, Texas 76040                  Mr. William H. Hatch, Vice President, Citgo Products Pipeline Company, 3301 South Highway 157, Euless, Texas 76040                  Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> April 16, 2008</p> <p><b>Date of NOV/NOE Relating to this Case:</b> June 2, 2008 (NOE)</p> <p><b>Background Facts:</b> This was a record review.</p> <p><b>AIR</b></p> <p>Failure to submit an annual compliance certification for the reporting period of February 26, 2007 to February 25, 2008, within 30 days after the end of the certification period. Specifically, the certification was submitted on May 8, 2008, making it 43 days late [30 TEX. ADMIN. CODE § 122.146(2), Federal Operating Permit No. O-2891, General Terms and Conditions, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$2,675</p> <p><b>Total Deferred:</b> \$535  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$2,140</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that on May 8, 2008, the Respondent submitted an annual compliance certification to the DFW Regional Office for the reporting period of February 26, 2007 to February 25, 2008 which was due on March 25, 2008.</p>

Additional ID No(s): TA0034C



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision April 29, 2008

**TCEQ**

<b>DATES</b>	Assigned	9-Jun-2008	Screening	12-Jun-2008	EPA Due	9-Mar-2009
	PCW	16-Jun-2008				

<b>RESPONDENT/FACILITY INFORMATION</b>			
Respondent	Citgo Products Pipeline Company		
Reg. Ent. Ref. No.	RN100225739		
Facility/Site Region	4-Dallas/Fort Worth	Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	36042	No. of Violations	1
Docket No.	2008-0963-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Daniel Siringi
		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** 32.0% Enhancement Subtotals 2, 3, & 7 \$800

Notes: Enhancement for one 1660 order, two NOV's with same or similar violations and one NOV for self-reported effluent violations in the past five years at this plant.

**Culpability** No 0.0% Enhancement Subtotal 4 \$0

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** Subtotal 5 \$625

**Economic Benefit** 0.0% Enhancement Subtotal 6 \$0

Total EB Amounts \$9  
 Approx. Cost of Compliance \$1,500  
 \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** Final Subtotal \$2,675

**OTHER FACTORS AS JUSTICE MAY REQUIRE** 0.0% Adjustment \$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

**Final Penalty Amount** \$2,675

**STATUTORY LIMIT ADJUSTMENT** Final Assessed Penalty \$2,675

**DEFERRAL** 20.0% Reduction Adjustment -\$535

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** \$2,140

**Screening Date** 12-Jun-2008

**Docket No.** 2008-0963-AIR-E

**PCW**

**Respondent** Citgo Products Pipeline Company

Policy Revision 2 (September 2002)

**Case ID No.** 36042

PCW Revision April 29, 2008

**Reg. Ent. Reference No.** RN100225739

**Media [Statute]** Air

**Enf. Coordinator** Daniel Siringi

### 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)	2	10%
	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 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%
<i>Please Enter Yes or No</i>			
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)**

>> **Repeat Violator (Subtotal 3)**

**Adjustment Percentage (Subtotal 3)**

>> **Compliance History Person Classification (Subtotal 7)**

**Adjustment Percentage (Subtotal 7)**

>> **Compliance History Summary**

**Compliance History Notes**

Enhancement for one 1660 order, two NOVs with same or similar violations and one NOV for self-reported effluent violations in the past five years at this plant.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)**

<b>Screening Date</b> 12-Jun-2008	<b>Docket No.</b> 2008-0963-AIR-E	<b>PCW</b>				
<b>Respondent</b> Citgo Products Pipeline Company	<i>Policy Revision 2 (September 2002)</i>					
<b>Case ID No.</b> 36042	<i>PCW Revision April 29, 2008</i>					
<b>Reg. Ent. Reference No.</b> RN100225739						
<b>Media [Statute]</b> Air						
<b>Enf. Coordinator</b> Daniel Siringi						
<b>Violation Number</b> <input type="text" value="1"/>						
<b>Rule Cite(s)</b>	30 Tex. Admin. Code § 122.146(2), Federal Operating Permit No. O-2891, General Terms and Conditions and Tex. Health & Safety Code § 382.085(b)					
<b>Violation Description</b>	Failed to submit an annual compliance certification for the reporting period of February 26, 2007 to February 25, 2008, within 30 days after the end of the certification period. Specifically, the certification was submitted on May 8, 2008, making it 43 days late.					
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>				
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>						
OR	<b>Harm</b>			Percent <input type="text" value="0%"/>		
	Release	Major	Moderate		Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>		
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>		
<b>&gt;&gt; Programmatic Matrix</b>						
	Falsification	Major	Moderate	Minor	Percent <input type="text" value="25%"/>	
	<input type="text"/>	x	<input type="text"/>	<input type="text"/>		
<b>Matrix Notes</b>	100% of the rule requirement was not met by the respondent.					
<b>Adjustment</b>		<input type="text" value="\$7,500"/>				
					<input type="text" value="\$2,500"/>	
<b>Violation Events</b>						
Number of Violation Events <input type="text" value="1"/>		Number of violation days <input type="text" value="43"/>				
<i>mark only one with an x</i>	daily	<input type="text"/>				Violation Base Penalty <input type="text" value="\$2,500"/>
	monthly	<input type="text"/>				
	quarterly	<input type="text"/>				
	semiannual	<input type="text"/>				
	annual	<input type="text"/>				
	single event	<input checked="" type="checkbox"/>				
One single event is recommended.						
<b>Good Faith Efforts to Comply</b>		<input type="text" value="25.0%"/> Reduction				<input type="text" value="\$625"/>
		Before NOV	NOV to EDPRP/Settlement Offer			
Extraordinary	<input type="text"/>	<input type="text"/>				
Ordinary	x	<input type="text"/>				
N/A	<input type="text"/>	(mark with x)				
<b>Notes</b>	The Respondent completed all corrective actions on May 8, 2008.					
<b>Violation Subtotal</b>					<input type="text" value="\$1,875"/>	
<b>Economic Benefit (EB) for this violation</b>			<b>Statutory Limit Test</b>			
Estimated EB Amount <input type="text" value="\$9"/>		Violation Final Penalty Total		<input type="text" value="\$2,675"/>		
<b>This violation Final Assessed Penalty (adjusted for limits)</b>					<input type="text" value="\$2,675"/>	

## Economic Benefit Worksheet

**Respondent** Citgo Products Pipeline Company  
**Case ID No.** 36042  
**Reg. Ent. Reference No.** RN100225739  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

**Item Cost**    **Date Required**    **Final Date**    **Yrs**    **Interest Saved**    **Onetime Costs**    **EB Amount**  
**Item Description** No commas or \$

**Delayed Costs**

Equipment			0.00	\$0	\$0	\$0	
Buildings			0.00	\$0	\$0	\$0	
Other (as needed)			0.00	\$0	\$0	\$0	
Engineering/construction			0.00	\$0	\$0	\$0	
Land			0.00	\$0	n/a	\$0	
Record Keeping System			0.00	\$0	n/a	\$0	
Training/Sampling			0.00	\$0	n/a	\$0	
Remediation/Disposal			0.00	\$0	n/a	\$0	
Permit Costs			0.00	\$0	n/a	\$0	
Other (as needed)	\$1,500	25-Mar-2008	8-May-2008	0.12	\$9	n/a	\$9

Notes for DELAYED costs

Estimated cost of preparing and submitting annual compliance certification in a timely manner. The date required is the date the certification was required to be reported and the final date is the date of compliance.

**Avoided Costs**

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal			0.00	\$0	\$0	\$0
Personnel			0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling			0.00	\$0	\$0	\$0
Supplies/equipment			0.00	\$0	\$0	\$0
Financial Assurance [2]			0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]			0.00	\$0	\$0	\$0
Other (as needed)			0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$1,500

TOTAL \$9

# Compliance History

Customer/Respondent/Owner-Operator: CN600132054 Citgo Products Pipeline Company Classification: AVERAGE Rating: 2.08  
 Regulated Entity: RN100225739 ARLINGTON PUMPING STATION Classification: AVERAGE Site Rating: 1.86  
 PIPELINE BREAKOUT STATION

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	TA0034C
	AIR OPERATING PERMITS	PERMIT	2891
	AIR OPERATING PERMITS	PERMIT	2891
	WASTEWATER	PERMIT	WQ0003993000
	WASTEWATER	PERMIT	TPDES0116530
	WASTEWATER	PERMIT	TX0116530
	WASTEWATER	EPA ID	TX0116530
	WASTEWATER	PERMIT	03993
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TX0000936633
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	82957
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	TA0034C
	AIR NEW SOURCE PERMITS	AFS NUM	4843900068
	AIR NEW SOURCE PERMITS	PERMIT	27987
	AIR NEW SOURCE PERMITS	PERMIT	28340
	AIR NEW SOURCE PERMITS	PERMIT	36530
	AIR NEW SOURCE PERMITS	PERMIT	56218

Location: 3301 S HIGHWAY 157, EULESS, TX, 76040 Rating Date: September 01 07 Repeat Violator: NO

TCEQ Region: REGION 04 - DFW METROPLEX

Date Compliance History Prepared: June 09, 2008

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: June 09, 2003 to June 09, 2008

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

Name: Daniel Siringi Phone: (409) 899-8799

### 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 Effective Date: 02/18/2007 ADMINORDER 2006-0803-AIR-E  
 Classification: Major

Citation: 30 TAC Chapter 122, SubChapter B 122.121  
 30 TAC Chapter 122, SubChapter C 122.241(b)

Rqmt Prov: Permit OP  
 Description: Failed to timely renew FOP O-1163 and failed to cease operations.

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 06/13/2003 (325716)

N/A

2 07/21/2003 (325718)

3 08/11/2003 (325720)

4 08/25/2003 (147331)

5	09/18/2003	(325722)
6	10/17/2003	(325724)
7	11/17/2003	(325725)
8	12/11/2003	(325726)
9	02/23/2004	(325713)
10	03/22/2004	(325714)
11	04/23/2004	(366049)
12	05/17/2004	(366050)
13	06/21/2004	(366051)
14	07/21/2004	(366052)
15	08/16/2004	(366053)
16	08/17/2004	(284212)
17	09/22/2004	(366054)
18	10/18/2004	(366055)
19	10/29/2004	(338338)
20	11/16/2004	(389539)
21	12/27/2004	(366056)
22	01/18/2005	(389540)
23	02/16/2005	(427080)
24	03/21/2005	(491619)
25	04/22/2005	(491621)
26	06/03/2005	(427081)
27	06/27/2005	(427082)
28	07/22/2005	(447214)
29	08/23/2005	(398132)
30	08/23/2005	(447215)
31	09/26/2005	(447216)
32	11/02/2005	(491622)
33	12/20/2005	(491623)
34	01/26/2006	(491624)
35	02/23/2006	(491618)
36	03/22/2006	(491620)
37	04/20/2006	(505847)
38	05/15/2006	(505848)
39	06/16/2006	(479975)
40	06/19/2006	(505849)
41	07/31/2006	(528094)
42	08/21/2006	(528095)
43	09/18/2006	(528096)
44	10/13/2006	(551603)
45	11/20/2006	(551604)
46	12/22/2006	(551605)
47	01/29/2007	(588673)
48	02/20/2007	(588668)
49	02/22/2007	(538464)
50	03/12/2007	(588669)
51	03/29/2007	(540685)
52	03/30/2007	(555448)
53	04/16/2007	(588670)
54	05/21/2007	(588671)
55	06/20/2007	(588672)
56	07/16/2007	(605548)
57	08/13/2007	(605549)
58	08/28/2007	(572560)
59	09/14/2007	(605550)
60	10/22/2007	(630382)
61	11/26/2007	(630383)
62	12/17/2007	(630384)
63	01/28/2008	(676998)
64	06/02/2008	(641158)

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

Date 08/17/2004 (284212)

Self Report? NO

Classification Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)

Description: Failure to submit the annual compliance certification to the executive director no later than 30 days after the end of the certification period.

Date 08/23/2005 (398132)

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Description: Notify the Administrator in writing at least 30 days prior to the filling or refilling of each storage vessel for which an inspection is required by paragraphs (a)(1) and (a)(4) of this section to afford the Administrator the opportunity to have an observer present.

Date 12/31/2006 (588673)  
Self Report? YES Classification Moderate  
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)  
TWC Chapter 26 26.121(a)  
Description: Failure to meet the limit for one or more permit parameter

- 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  
CITGO PRODUCTS PIPELINE  
COMPANY  
RN100225739

§  
§  
§  
§  
§  
§

BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2008-0963-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 Citgo Products Pipeline Company ("the Respondent") 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 the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a gasoline pipeline operation at 3301 South Highway 157 in Euless, Tarrant 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 the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about June 7, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Two Thousand Six Hundred Seventy-Five Dollars (\$2,675) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Two Thousand One Hundred Forty Dollars (\$2,140) of the administrative penalty and Five Hundred Thirty-Five Dollars (\$535) is deferred contingent upon the Respondent'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 the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent 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 the Respondent 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 on May 8, 2008, the Respondent submitted an annual compliance certification to the Dallas/Fort Worth Regional Office for the reporting period of February 26, 2007 to February 25, 2008 which was due on March 25, 2008.
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 the Respondent 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, the Respondent is alleged to have failed to submit an annual compliance certification for the reporting period of February 26, 2007 to February 25, 2008, within 30 days after the end of the certification period, in violation of 30 TEX. ADMIN. CODE § 122.146(2), Federal Operating Permit ("FOP") No. O-2891, General Terms and Conditions and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 16, 2008. Specifically, the certification was submitted on May 8, 2008, making it 43 days late.

## III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

## IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent'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: Citgo Products Pipeline Company, Docket No. 2008-0963-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 the Respondent. The Respondent 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 the Respondent 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 the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, 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

John Sroder  
For the Executive Director

11/14/2008  
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 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 failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- 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;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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

William H. Hatch  
Signature 88

9-8-08  
Date

William H. Hatch  
Name (Printed or typed)  
Authorized Representative of  
Citgo Products Pipeline Company

VICE PRESIDENT  
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.

