

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER** Page 1 of 3  
**DOCKET NO.:** 2009-0377-AIR-E **TCEQ ID:** RN100222900 **CASE NO.:** 37305  
**RESPONDENT NAME:** Targa Midstream Services Limited Partnership

<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> Mont Belvieu Fractionator, 10319 Highway 146, Mont Belvieu, Chambers County</p> <p><b>TYPE OF OPERATION:</b> Natural gas fractionator</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 August 31, 2009. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> Mr. Phillip Hampsten, SEP Coordinator, Enforcement Division, MC 219, (512) 239-6732  <b>TCEQ Enforcement Coordinator:</b> Mr. James Nolan, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-6634; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387  <b>Respondent:</b> Mr. Hunter Battle, Vice President, Logistics and Marketing Assets, Targa Midstream Services Limited Partnership, P.O. Box 10, Mont Belvieu, Texas 77580  <b>Respondent's Attorney:</b> 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 checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input 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> August 7, 2008</p> <p><b>Date of NOV/NOE Relating to this Case:</b> February 18, 2009 (NOE)</p> <p><b>Background Facts:</b> This was a routine investigation.</p> <p><b>AIR</b></p> <p>1) Failure to route the hydrogen sulfide ("H<sub>2</sub>S") acid gas stream from the Amine Unit (AU-2) to the North Plant Flare (EPN: FLR-N). Specifically, during the certification period of January 26, 2007 through January 25, 2008, the H<sub>2</sub>S acid gas stream was routed to New Main Flare (EPN: FLRN-1), which is not permitted [30 TEX. ADMIN. CODE §§ 116.110(a)(1) and 116.116(a)(1) and TEX. HEALTH &amp; SAFETY CODE §§ 382.0518(a) and 382.085(b)].</p> <p>2) Failure to comply with the permitted limit of 50 pipeline shutdowns from the terminal. Specifically, the terminal had 62 pipeline shutdowns during the certification period of January 26, 2007 through January 25, 2008 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 56431, Special Condition 3D, Federal Operating Permit O-00612, Special Terms and Conditions 10, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>3) Failure to comply with the permitted limit of 750 tank truck conditioning operations. Specifically, the terminal had 767 tank truck conditioning operations during the certification period of January 26, 2007 through January 25, 2008 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit</p>	<p><b>Total Assessed:</b> \$65,450</p> <p><b>Total Deferred:</b> \$13,090  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$26,180</p> <p><b>Total Paid to General Revenue:</b> \$26,180</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>Ordering Provisions:</b></p> <p>1) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)</p> <p>2) The Order will also require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Submit written certification that improvements in training, design, operation, or maintenance procedures have been implemented in order to comply with existing permitted limits of pipeline shutdowns from the terminal and truck conditioning operations and to route the acid gas stream from the Amine Unit to the North Plant Flare as permitted; or</p> <p>ii. Submit an administratively complete request to amend New Source Review Permit No. 56431.</p> <p>b. If submitting a permit amendment application in accordance with Ordering Provision No. 2.a.ii., respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment within 30 days after the date of such requests, or by any other deadline specified in writing;</p> <p>c. If submitting a permit amendment application in accordance with Ordering Provision No. 2.a.ii., within 180 days after the effective date of this Agreed Order, submit written certification that the Respondent has either obtained authorization for an increase in the permitted limit of pipeline shutdowns from the terminal and truck conditioning operations, and is in compliance with those limits, or has ceased all unauthorized pipeline shutdowns from the terminal and truck conditioning operations until such time that appropriate authorization is obtained;</p>

<p>No. 56431, Special Condition 4, Federal Operating Permit O-00612, Special Terms and Conditions 10, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>		<p>d. If submitting a permit amendment application in accordance with Ordering Provision No. 2.a.ii, within 180 days after the effective date of this Agreed Order, submit written certification that the Respondent has either obtained authorization for the New Main Flare or has ceased all unauthorized use of the New Main Flare until such time that appropriate authorization is obtained; and</p> <p>e. The certifications required by Ordering Provisions 2.a.i., 2.c., and/or 2.d. shall include detailed supporting documentation including receipts, and/or other records to demonstrate compliance.</p>
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Additional ID No(s): CI0022A



Attachment A  
Docket Number: 2009-0377-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

<b>Respondent:</b>	<b>Targa Midstream Services Limited Partnership</b>
<b>Payable Penalty Amount:</b>	<b>Fifty-Two Thousand Three Hundred Sixty Dollars (\$52,360)</b>
<b>SEP Amount:</b>	<b>Twenty-Six Thousand One Hundred Eighty Dollars (\$26,180)</b>
<b>Type of SEP:</b>	<b>Pre-approved</b>
<b>Third-Party Recipient:</b>	<b>Barbers Hill Independent School District-Alternative Fueled Vehicle and Equipment Program</b>
<b>Location of SEP:</b>	<b>Chambers County</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

A. Project

The Respondent will contribute to Barbers Hill Independent School District's ("Barbers Hill ISD") Alternative Fueled Vehicle and Equipment Program in Chambers County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between Barbers Hill ISD and the Texas Commission on Environmental Quality*. SEP monies will be used to retire current diesel-powered or gasoline powered vehicles and equipment and replace those vehicles and equipment with alternative-fueled vehicles and equipment; convert current vehicles and equipment to alternative-fueled equipment; or retrofit current gasoline or diesel-powered equipment.

SEP Funds will only be used for the incremental costs of purchase of clean fuel or lower-emission vehicles or retrofit of existing vehicles and for the purchase of these cleaner burning fuels.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing air pollution emissions of particulate matter, volatile organic compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel that would have been generated by older vehicles.



C. Minimum Expenditure

Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

John Johnson  
Carl Griffith & Associates, Inc.  
2901 Turtle Creek Drive, Suite 101  
Port Arthur, Texas 77642

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division  
Attention: SEP Coordinator, MC 219  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

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

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.



**5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.





Policy Revision 2 (September 2002)

## Penalty Calculation Worksheet (PCW)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	23-Feb-2009	Screening	5-Mar-2009	EPA Due	
	PCW	2-Apr-2009				

## RESPONDENT/FACILITY INFORMATION

Respondent	Targa Midstream Services Limited Partnership		
Reg. Ent. Ref. No.	RN100222900		
Facility/Site Region	12-Houston	Major/Minor Source	Major

## CASE INFORMATION

Enf./Case ID No.	37305	No. of Violations	3	
Docket No.	2009-0377-AIR-E	Order Type	1660	
Media Program(s)	Air	Government/Non-Profit	No	
Multi-Media		Enf. Coordinator	James Nolan	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000
		EC's Team	Enforcement Team 4	

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	<b>\$42,500</b>		
<b>ADJUSTMENTS (+/-) TO SUBTOTAL 1</b>				
Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.				
<b>Compliance History</b>	54.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$22,950</b>	
Notes	Penalty enhancement due to two previous 1660-style agreed orders, two previous similar NOV's, and two previous non-similar NOV's.			
<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	<b>\$0</b>
Notes	The Respondent does not meet the culpability criteria.			
<b>Good Faith Effort to Comply Total Adjustments</b>		<b>Subtotal 5</b>	<b>\$0</b>	
<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	<b>\$0</b>	
Total EB Amounts	\$801	*Capped at the Total EB \$ Amount		
Approx. Cost of Compliance	\$6,000			
<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	<b>\$65,450</b>		
<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	<b>\$0</b>	
Reduces or enhances the Final Subtotal by the indicated percentage.				
Notes				
	<b>Final Penalty Amount</b>	<b>\$65,450</b>		
<b>STATUTORY LIMIT ADJUSTMENT</b>		<b>Final Assessed Penalty</b>	<b>\$65,450</b>	
<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	<b>-\$13,090</b>	
Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)				
Notes	Deferral offered for expedited settlement.			
<b>PAYABLE PENALTY</b>			<b>\$52,360</b>	

Screening Date 5-Mar-2009

Docket No. 2009-0377-AIR-E

PCW

Respondent Targa Midstream Services Limited Partnership

Policy Revision 2 (September 2002)

Case ID No. 37305

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator James Nolan

### 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	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	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

Penalty enhancement due to two previous 1660-style agreed orders, two previous similar NOV's, and two previous non-similar NOV's.

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

<b>Screening Date</b> 5-Mar-2009	<b>Docket No.</b> 2009-0377-AIR-E	<b>PCW</b>		
<b>Respondent</b> Targa Midstream Services Limited Partnership		<i>Policy Revision 2 (September 2002)</i>		
<b>Case ID No.</b> 37305		<i>PCW Revision October 30, 2008</i>		
<b>Reg. Ent. Reference No.</b> RN100222900				
<b>Media [Statute]</b> Air				
<b>Enf. Coordinator</b> James Nolan				
<b>Violation Number</b>	1			
<b>Rule Cite(s)</b>	30 Tex. Admin. Code §§ 116.110(a)(1) and 116.116(a)(1) and Tex. Health & Safety Code §§ 382.0518(a) and 382.085(b)			
<b>Violation Description</b>	Failed to route the hydrogen sulfide ("H2S") acid gas stream from the Amine Unit (AU-2) to the North Plant Flare (EPN: FLR-N). Specifically, during the certification period of January 26, 2007 through January 25, 2008, the H2S acid gas stream was routed to New Main Flare (EPN: FLRN-1), which is not permitted.			
<b>Base Penalty</b>		\$10,000		
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>				
OR	<b>Harm</b>			
	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>Percent</b>	0%	
<b>&gt;&gt; Programmatic Matrix</b>				
	Falsification	Major	Moderate	Minor
	<input type="text"/>	x	<input type="text"/>	<input type="text"/>
		<b>Percent</b>	25%	
<b>Matrix Notes</b>	100% of the rule requirement was not met.			
<b>Adjustment</b>		\$7,500		
		\$2,500		
<b>Violation Events</b>				
<b>Number of Violation Events</b>		9	796	<b>Number of violation days</b>
<i>mark only one with an x</i>	daily	<input type="text"/>		<b>Violation Base Penalty</b>
	weekly	<input type="text"/>		
	monthly	<input type="text"/>		
	quarterly	x		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	<input type="text"/>		
Nine quarterly events are recommended for the period beginning the first date of the certification period (January 26, 2007) and ending with case screening (March 5, 2009).				
<b>Good Faith Efforts to Comply</b>		0.0% Reduction		\$0
		Before NOV	NOV to EDPRP/Settlement Offer	
Extraordinary	<input type="text"/>		<input type="text"/>	
Ordinary	<input type="text"/>		<input type="text"/>	
N/A	x	(mark with x)		
<b>Notes</b>	The Respondent does not meet the good faith criteria for this violation.			
<b>Violation Subtotal</b>		\$22,500		
<b>Economic Benefit (EB) for this violation</b>		<b>Statutory Limit Test</b>		
<b>Estimated EB Amount</b>		\$200	<b>Violation Final Penalty Total</b>	\$34,650
		<b>This violation Final Assessed Penalty (adjusted for limits)</b>		\$34,650

## Economic Benefit Worksheet

**Respondent** Targa Midstream Services Limited Partnership  
**Case ID No.** 37305  
**Reg. Ent. Reference No.** RN100222900  
**Media** Air  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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	\$1,500	26-Jan-2007	26-Sep-2009	2.67	\$200	n/a	\$200
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost to amend New Source Review Permit No. 56431. The date required is the first date of the certification period and the final date is the estimated 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

\$200

<b>Screening Date</b> 5-Mar-2009	<b>Docket No.</b> 2009-0377-AIR-E	<b>PCW</b>	
<b>Respondent</b> Targa Midstream Services Limited Partnership	<small>Policy Revision 2 (September 2002)</small>		
<b>Case ID No.</b> 37305	<small>PCW Revision October 30, 2008</small>		
<b>Reg. Ent. Reference No.</b> RN100222900			
<b>Media [Statute]</b> Air			
<b>Enf. Coordinator</b> James Nolan			
<b>Violation Number</b> <input type="text" value="2"/>			
<b>Rule Cite(s)</b>	30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review Permit No. 56431 Special Condition 3D, Federal Operating Permit O-00612 Special Terms and Conditions 10, and Tex. Health & Safety Code § 382.085(b)		
<b>Violation Description</b>	Failed to comply with the permitted limit of 50 pipeline shutdowns from the terminal. Specifically, the terminal had 62 pipeline shutdowns during the certification period of January 26, 2007 through January 25, 2008.		
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>	
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>			
<b>Harm</b>			
OR	Release	Major      Moderate      Minor	
	Actual	<input type="text"/> <input type="text"/> <input checked="" type="text" value="x"/>	
	Potential	<input type="text"/> <input type="text"/> <input type="text"/>	<b>Percent</b> <input type="text" value="25%"/>
<b>&gt;&gt; Programmatic Matrix</b>			
	Falsification	Major      Moderate      Minor	
	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<b>Percent</b> <input type="text" value="0%"/>
<b>Matrix Notes</b>	Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.		
<b>Adjustment</b>		<input type="text" value="\$7,500"/>	
		<input type="text" value="\$2,500"/>	
<b>Violation Events</b>			
	<b>Number of Violation Events</b> <input type="text" value="4"/>	<input type="text" value="365"/>	<b>Number of violation days</b>
<small>mark only one with an x</small>	daily	<input type="text"/>	
	weekly	<input type="text"/>	
	monthly	<input type="text"/>	
	quarterly	<input checked="" type="text" value="x"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text"/>	
<b>Violation Base Penalty</b>		<input type="text" value="\$10,000"/>	
Four quarterly events are recommended for the certification period of January 26, 2007 through January 25, 2008.			
<b>Good Faith Efforts to Comply</b>		<input type="text" value="0.0%"/> Reduction	<input type="text" value="\$0"/>
		<small>Before NOV      NOV to EDPRP/Settlement Offer</small>	
Extraordinary	<input type="text"/>	<input type="text"/>	
Ordinary	<input type="text"/>	<input type="text"/>	
N/A	<input checked="" type="text" value="x"/>	<small>(mark with x)</small>	
<b>Notes</b>	The Respondent does not meet the good faith criteria for this violation.		
<b>Violation Subtotal</b>		<input type="text" value="\$10,000"/>	
<b>Economic Benefit (EB) for this violation</b>		<b>Statutory Limit Test</b>	
<b>Estimated EB Amount</b>	<input type="text" value="\$200"/>	<b>Violation Final Penalty Total</b>	<input type="text" value="\$15,400"/>
		<b>This violation Final Assessed Penalty (adjusted for limits)</b>	<input type="text" value="\$15,400"/>

## Economic Benefit Worksheet

**Respondent** Targa Midstream Services Limited Partnership  
**Case ID No.** 37305  
**Reg. Ent. Reference No.** RN100222900  
**Media** Air  
**Violation No.** 2

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							
<b>Delayed Costs</b>							
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	26-Jan-2007	26-Sep-2009	2.67	\$200	n/a	\$200

**Notes for DELAYED costs**  
 Estimated cost for additional oversight and management practices designed to ensure proper operation and maintenance practices are followed. Date required is the first date of the certification period and the final date is the estimated date of compliance.

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<b>ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)</b>							
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** **TOTAL**  
\$1,500 \$200

<b>Screening Date</b> 5-Mar-2009	<b>Docket No.</b> 2009-0377-AIR-E	<b>PCW</b>	
<b>Respondent</b> Targa Midstream Services Limited Partnership	<small>Policy Revision 2 (September 2002)</small>		
<b>Case ID No.</b> 37305	<small>PCW Revision October 30, 2008</small>		
<b>Reg. Ent. Reference No.</b> RN100222900			
<b>Media [Statute]</b> Air			
<b>Enf. Coordinator</b> James Nolan			
<b>Violation Number</b> <input type="text" value="3"/>			
<b>Rule Cite(s)</b>	30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review Permit No. 56431 Special Condition 4, Federal Operating Permit O-00612 Special Terms and Conditions 10, and Tex. Health & Safety Code § 382.085(b)		
<b>Violation Description</b>	Failed to comply with the permitted limit of 750 tank truck conditioning operations from the Plant. Specifically, the terminal had 767 tank truck conditioning operations during the certification period of January 26, 2007 through January 25, 2008.		
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>	
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>			
OR	<b>Harm</b>		
	Major	Moderate	Minor
	Actual <input type="text"/>	<input type="text"/>	<input type="text" value="x"/>
	Potential <input type="text"/>	<input type="text"/>	<input type="text"/>
			<b>Percent</b> <input type="text" value="25%"/>
<b>&gt;&gt; Programmatic Matrix</b>			
	Major	Moderate	Minor
Falsification <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
			<b>Percent</b> <input type="text" value="0%"/>
<b>Matrix Notes</b>	Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.		
<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="4"/>		Number of violation days <input type="text" value="365"/>	
<small>mark only one with an x</small>	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$10,000"/>
	weekly	<input type="text"/>	
	monthly	<input type="text"/>	
	quarterly	<input type="text" value="x"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text"/>	
Four quarterly events are recommended for the certification period of January 26, 2007 through January 25, 2008.			
<b>Good Faith Efforts to Comply</b>			<input type="text" value="0.0% Reduction"/>
			<input type="text" value="\$0"/>
	Before NOV	NOV to EDPRP/Settlement Offer	
Extraordinary	<input type="text"/>	<input type="text"/>	
Ordinary	<input type="text"/>	<input type="text"/>	
N/A	<input type="text" value="x"/>	(mark with x)	
<b>Notes</b>	The Respondent does not meet the good faith criteria for this violation.		
<b>Violation Subtotal</b>			<input type="text" value="\$10,000"/>
<b>Economic Benefit (EB) for this violation</b>			<b>Statutory Limit Test</b>
Estimated EB Amount <input type="text" value="\$200"/>		Violation Final Penalty Total <input type="text" value="\$15,400"/>	
This violation Final Assessed Penalty (adjusted for limits)			<input type="text" value="\$15,400"/>

## Economic Benefit Worksheet

**Respondent** Targa Midstream Services Limited Partnership  
**Case ID No.** 37305  
**Reg. Ent. Reference No.** RN100222900  
**Media** Air  
**Violation No.** 3

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

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

**Delayed Costs**

Equipment				0.00	\$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	26-Jan-2007	26-Sep-2009	2.67	\$200	n/a	\$200

**Notes for DELAYED costs** Estimated cost for additional oversight and management practices designed to ensure proper operation and maintenance practices are followed. Date Required is the first date of the certification period and the Final Date is the estimated 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**

\$200

# Compliance History Report

Customer/Respondent/Owner-Operator:	CN601301559 Targa Midstream Services Limited Partnership	Classification: AVERAGE	Rating: 3.10																																													
Regulated Entity:	RN100222900 MONT BELVIEU FRACTIONATOR	Classification: AVERAGE	Site Rating: 8.70																																													
ID Number(s):	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50%;">AIR NEW SOURCE PERMITS</td><td style="width: 30%;">PERMIT</td><td style="width: 20%;">5452</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>12790</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>22042</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>36531</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>ACCOUNT NUMBER</td><td>C10022A</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>AFS NUM</td><td>4807100010</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>56431</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>PERMIT</td><td>56435</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>EPA ID</td><td>PSDTX696M1</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>85385</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>81524</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>84814</td></tr> <tr><td>AIR NEW SOURCE PERMITS</td><td>REGISTRATION</td><td>83115</td></tr> <tr><td>AIR OPERATING PERMITS</td><td>ACCOUNT NUMBER</td><td>C10022A</td></tr> <tr><td>AIR OPERATING PERMITS</td><td>PERMIT</td><td>612</td></tr> </table>			AIR NEW SOURCE PERMITS	PERMIT	5452	AIR NEW SOURCE PERMITS	PERMIT	12790	AIR NEW SOURCE PERMITS	PERMIT	22042	AIR NEW SOURCE PERMITS	PERMIT	36531	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	C10022A	AIR NEW SOURCE PERMITS	AFS NUM	4807100010	AIR NEW SOURCE PERMITS	PERMIT	56431	AIR NEW SOURCE PERMITS	PERMIT	56435	AIR NEW SOURCE PERMITS	EPA ID	PSDTX696M1	AIR NEW SOURCE PERMITS	REGISTRATION	85385	AIR NEW SOURCE PERMITS	REGISTRATION	81524	AIR NEW SOURCE PERMITS	REGISTRATION	84814	AIR NEW SOURCE PERMITS	REGISTRATION	83115	AIR OPERATING PERMITS	ACCOUNT NUMBER	C10022A	AIR OPERATING PERMITS	PERMIT	612
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AIR OPERATING PERMITS	PERMIT	612																																														
Location:	10319 HIGHWAY 146, MONT BELVIEU, TX, 77580																																															
TCEQ Region:	REGION 12 - HOUSTON																																															
Date Compliance History Prepared:	March 05, 2009																																															
Agency Decision Requiring Compliance History:	Enforcement																																															
Compliance Period:	March 05, 2004 to March 05, 2009																																															
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History																																																
Name:	James Nolan	Phone:	(512) 239-6634																																													

## 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? Yes
3. If Yes, who is the current owner? Targa Midstream Services Limited Partnership
4. If Yes, who was/were the prior owner(s)? Targa Midstream Services Limited Partnership
5. When did the change(s) in ownership occur? 08/14/2008
6. Rating Date: 9/1/2008 Repeat Violator: NO

### Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
- |                                                                                                                                                        |                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Effective Date: 11/06/2005                                                                                                                             | ADMINORDER 2005-0584-AIR-E |
| Classification: Moderate                                                                                                                               |                            |
| Citation: 30 TAC Chapter 116, SubChapter B 116.116(b)(1)<br>5C THC Chapter 382, SubChapter A 382.085(b)                                                |                            |
| Description: Failed to prevent unauthorized emissions from the T-2 Relief Valve when the Motor Operated Valve failed to operate on September 15, 2004. |                            |
| Effective Date: 05/28/2006                                                                                                                             | ADMINORDER 2005-1636-AIR-E |
| Classification: Moderate                                                                                                                               |                            |
| Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)<br>5C THC Chapter 382, SubChapter A 382.085(b)                                             |                            |
| Rqmt Prov: 5452 General Condition 8 PERMIT                                                                                                             |                            |
| Description: Exceeded CO allowable of 12.58 lb/hr. Test result was 22.2 lb/hr CO.                                                                      |                            |
| Classification: Moderate                                                                                                                               |                            |
| Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)<br>5C THC Chapter 382, SubChapter A 382.085(b)                                                   |                            |
| Rqmt Prov: 5452 SC19D PERMIT                                                                                                                           |                            |
| Description: Failure to sample F-B as required by permit.                                                                                              |                            |
| Classification: Moderate                                                                                                                               |                            |

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 5452 SC19D PERMIT  
Description: Failure to sample F-A as required by permit.

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	08/24/2004	(251770)
2	11/11/2004	(292110)
3	12/09/2004	(335384)
4	01/03/2005	(343556)
5	05/24/2005	(375908)
6	07/25/2005	(401605)
7	08/05/2005	(395757)
8	08/19/2005	(395704)
9	08/19/2005	(397399)
10	08/19/2005	(397726)
11	08/24/2005	(397833)
12	11/04/2005	(433386)
13	02/27/2006	(455063)
14	03/31/2006	(461076)
15	08/11/2006	(455067)
16	08/11/2006	(455579)
17	08/31/2007	(566916)
18	09/07/2007	(572701)
19	03/13/2008	(615058)
20	08/27/2008	(593595)
21	08/29/2008	(701516)
22	01/16/2009	(707732)
23	02/18/2009	(680029)

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

Date: 06/17/2004 (251770) CN601301559  
Self NO Classification: Moderate  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(i)  
5C THC Chapter 382, SubChapter A 382.085(b)  
Description: Dynegy failed to limit visible emissions from a flare during an avoidable emissions event.

Date: 08/31/2007 (566916) CN601301559  
Self NO Classification: Moderate  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)  
5C THC Chapter 382, SubChapter D 382.085(b)  
FOP # O-00612, SC # 10 OP  
FOP # O-00612, SC # 1A OP  
NSR # 56431, SC # 2C PERMIT  
Description: Failure to prevent visible emissions greater than 5 minutes in any two-hour period from the air-assisted main flare from 0215 to 0435 on June 19, 2006, and from 0800 to 0900 on July 15, 2006.

Self NO Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter A 101.10(b)(2)(A)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
FOP # O-00612, SC # 2E OP

Description: Failure to report the use of the air-assisted main flare in the Annual Emissions Inventory.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter B 117.219(c)(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THC Chapter 382, SubChapter D 382.085(b)  
FOP # O-00612, SC # 1A OP  
Description: Failure to submit the quarterly NOx RATA test results.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 FOP # O-00612, SC # 3(A)(iv)(3) OP  
 FOP # O-00612, SC # 3(B)(iv)(3) OP  
 FOP # O-00612, SC # 3(D)(iii)(2) OP  
 FOP # O-00612, SC # 3(C)(iii)(2) OP  
 Description: Failure to record all visible emissions observations conducted at least quarterly.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 FOP # O-00612, SC # 9 OP  
 Description: Failure to conduct monthly flare opacity readings per OP-MON.

Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 FOP # O-00612, General Terms & Condition OP  
 Description: Failure to report the overdue PEMS Nox RATA reports for EPN's B-08, B-09, and F-B; the failure to record quarterly visible emissions observations; and the failure to conduct monthly flare opacity readings per OP-MON on the previous semi-annual deviation report.

Date: 08/29/2008 (701516) CN601301559  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 30 TAC Chapter 122, SubChapter B 122.145(2)(C)  
 5C THSC Chapter 382 382.085(b)  
 Permit O-00612 Gen. Terms and Conditions OP  
 Description: Failure to submit the semiannual deviation report within 30 days of the end of the second deviation reporting period.

Date: 02/18/2009 (680029) CN601301559  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 O-00612 General Terms and Conditions OP  
 O-00612 Special Terms and Condition 9 OP  
 Description: Failure to perform monthly opacity readings from the flare during the months of January 2007 through March 2007; and May 2007 through July 2007. (Category B3 Violation)

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter G 117.8100(b)(4)(A)(i)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 O-00612 General Terms and Conditions OP  
 O-00612 Special Terms and Conditions 1 A OP  
 Description: Failure to meet relative accuracy standards (RATA) for CO and O2 during the RATA of B-04 during the period 6/25/2007 through 7/25/2007 and 7/26/2007 through 1/25/2008. (Category B3 Violation)

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
 5C THSC Chapter 382 382.085(b)  
 O-00612 General Terms and Conditions OP  
 Description: Failure to submit deviations in deviation reports dated 2/22/2007 and 8/29/2007. (Category B3 Violation)

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 115, SubChapter H 115.725(d)(1)  
 30 TAC Chapter 115, SubChapter H 115.764(a)(1)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 O-00612 General Terms and Conditions OP  
 Description: Failure to install and monitor for HRVOC in cooling towers #4 and #4A during the period 1/26/2007 through 1/25/2008. (Category B1 Violation)

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 30 TAC Chapter 122, SubChapter B 122.145(1)(A)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Db 60.49b(c)  
 5C THSC Chapter 382 382.085(b)  
 NSR 56435 SC 6 A PERMIT  
 O-00612 General Terms and Conditions OP  
 O-00612 Special Terms and Conditions 10 OP  
 Description: Failure to submit predictive emission monitoring system for boilers (B-08, B-03, B-04, B-

09) during 7/25/2007 through 1/25/2008. (Category B1 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter B 117.340(a)  
5C THSC Chapter 382 382.085(b)  
O-00612 Special Terms and Conditions 1 A OP

Description: Failure to operate fuel flow meters correctly on the furnaces (F-B, F-C, F-D) and boilers (B-08, B-09) during 1/26/2007 through 1/25/2008. (Category B1 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter E 115.412(1)(C)  
5C THSC Chapter 382 382.085(b)

Description: Failure to provide a permanent label attached to the cleaner. (Category C 7 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter B 117.345(f)(10)  
30 TAC Chapter 117, SubChapter B 117.345(f)(6)(B)  
5C THSC Chapter 382 382.085(b)  
O-00612 Special Terms and Conditions 1 A OP

Description: Failure to maintain proper emergency engine records during the period 1/26/2007 through 1/25/2008. (Category C7 Violation)

Self Report? NO Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT LLL 60.647(c)  
5C THSC Chapter 382 382.085(b)

Description: Failure to provide an analysis demonstrating the facility is less than 2 long tons per day (LT/D) of hydrogen sulfide (H2S) in the acid gas (expressed as sulfur). (Category B1 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
NSR 56435 SC 5 A PERMIT  
O-00612 General Terms and Conditions OP  
O-00612 Special Terms and Conditions 10 OP

Description: Failure to maintain records of initial certification by TCEQ of PEMS. (Category B18 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
NSR SC 5 B (2) PERMIT  
O-00612 General Terms and Conditions OP  
O-00612 Special Terms and Conditions 10 OP

Description: Failure to conduct and provide records of statistical test analysis to TCEQ. (Category B1 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(1)(A)  
5C THSC Chapter 382 382.085(b)  
NSR SC 7 PERMIT  
  
O-00612 General Terms and Conditions OP  
O-00612 Special Terms and Conditions 10 OP

Description: Failure to provide testing results for August 2007 through November 2007 of the furnace and no records provided for the period 1/26/2007 through 1/25/2008 for the heater records. (Category B1 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(1)(A)  
5C THSC Chapter 382 382.085(b)  
NSR 5452 SC 5 PERMIT  
O-00612 General Terms and Conditions OP  
O-00612 Special Terms and Conditions 10 OP

Description: Failure to provide daily fuel flow rate of the heaters. (Category B1 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
NSR SC 14 A PERMIT  
O-00612 General Terms and Conditions OP  
O-00612 Special Terms and Conditions 10 OP

Description: Failure to provide notification letter to TCEQ Houston Regional Office of sampling test done on site. (Category B3 Violation)

Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 30 TAC Chapter 122, SubChapter B 122.145(1)(A) 5C THSC Chapter 382 382.085(b) O-00612 General Terms and Conditions OP O-00612 Special Terms and Conditions 10 OP SC 14A PERMIT		
Description:	Failure to maintain sampling test dates and records of EPN: F-CD, F-A1, F-A2, F-A3, and F-B. (Category B1 Violation)		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 30 TAC Chapter 122, SubChapter B 122.145(1)(A) 5C THSC Chapter 382 382.085(b) O-00612 General Terms and Conditions OP O-00612 Special Terms and Conditions 10 OP SC 14G PERMIT		
Description:	Failure to provide sampling reports to TCEQ. (Category B3 Violation)		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.356(2)(E)(iv) 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 30 TAC Chapter 122, SubChapter B 122.145(1)(A) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)(9) 5C THSC Chapter 382 382.085(b) O-00612 General Terms and Conditions OP O-00612 Special Terms and Conditions 1 A OP O-00612 Special Terms and Conditions 10 OP SC 11J PERMIT		
Description:	Failure to provide delay of repair and leak repair records for January 2008. (Category B1 Violation)		

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  
TARGA MIDSTREAM SERVICES  
LIMITED PARTNERSHIP  
RN100222900

§  
§  
§  
§  
§  
§

BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY

**AGREED ORDER**  
**DOCKET NO. 2009-0377-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 Targa Midstream Services Limited Partnership ("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 natural gas fractionator at 10319 Highway 146 in Mont Belvieu, Chambers 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 February 23, 2009.
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 Sixty-Five Thousand Four Hundred Fifty Dollars (\$65,450) is assessed by the Commission in settlement of the violations alleged in Section II

("Allegations"). The Respondent has paid Twenty-Six Thousand One Hundred Eighty Dollars (\$26,180) of the administrative penalty and Thirteen Thousand Ninety Dollars (\$13,090) 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. Twenty-Six Thousand One Hundred Eighty Dollars (\$26,180) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

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 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.
10. 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.
11. 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:

1. Failed to route the hydrogen sulfide ("H<sub>2</sub>S") acid gas stream from the Amine Unit (AU-2) to the North Plant Flare (EPN: FLR-N), in violation of 30 TEX. ADMIN. CODE §§ 116.110(a)(1) and 116.116(a)(1) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), as documented during an investigation conducted on August 7, 2008. Specifically, during the certification period of January 26, 2007 through January 25, 2008, the H<sub>2</sub>S acid gas stream was routed to New Main Flare (EPN: FLRN-1), which is not permitted.
2. Failed to comply with the permitted limit of 50 pipeline shutdowns from the terminal, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 56431 Special Condition 3D, Federal Operating Permit O-00612 Special Terms and Conditions 10, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on August 7, 2008. Specifically, the terminal had 62 pipeline shutdowns during the certification period of January 26, 2007 through January 25, 2008.
3. Failed to comply with the permitted limit of 750 tank truck conditioning operations, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review Permit No. 56431 Special Condition 4, Federal Operating Permit O-00612 Special Terms and Conditions 10, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted

on August 7, 2008. Specifically, the terminal had 767 tank truck conditioning operations during the certification period of January 26, 2007 through January 25, 2008.

### 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: Targa Midstream Services Limited Partnership, Docket No. 2009-0377-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 Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Twenty-Six Thousand One Hundred Eighty Dollars (\$26,180) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that the Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order:
    - i. Submit written certification that improvements in training, design, operation, or maintenance procedures have been implemented in order to comply with existing permitted limits of pipeline shutdowns from the terminal and truck conditioning operations and to route the acid gas stream from the Amine Unit to the North Plant Flare as permitted; or
    - ii. Submit an administratively complete request to amend New Source Review Permit No. 56431 to:

Air Permits Division, MC 162  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

- b. If submitting a permit amendment application in accordance with Ordering Provision No. 3.a.ii., respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment within 30 days after the date of such requests, or by any other deadline specified in writing;
- c. If submitting a permit amendment application in accordance with Ordering Provision No. 3.a.ii., within 180 days after the effective date of this Agreed Order, submit written certification that the Respondent has either obtained authorization for an increase in the permitted limit of pipeline shutdowns from the terminal and truck conditioning operations, and is in compliance with those limits, or has ceased all unauthorized pipeline shutdowns from the terminal and truck conditioning operations until such time that appropriate authorization is obtained;
- d. If submitting a permit amendment application in accordance with Ordering Provision No. 3.a.ii, within 180 days after the effective date of this Agreed Order, submit written certification that the Respondent has either obtained authorization for the New Main Flare or has ceased all unauthorized use of the New Main Flare until such time that appropriate authorization is obtained; and
- e. The certifications required by Ordering Provisions 3.a.i., 3.c., and/or 3.d. shall include detailed supporting documentation including receipts, and/or other records to demonstrate compliance, 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"; and

The certifications 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  
Houston Regional Office  
Texas Commission on Environmental Quality  
5425 Polk Avenue, Suite H  
Houston, Texas 77023-1486

- 4. 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.

5. If the Respondent 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, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. 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 the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. 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.
8. This Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes under this Agreed Order.
9. 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

*J. Du Sordlie*  
For the Executive Director

8/21/2009  
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.

*Hunter Battle*  
Signature

August 17, 2009  
Date

Hunter Battle  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Targa Midstream Services Limited Partnership

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.

Attachment A  
Docket Number: 2009-0377-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Targa Midstream Services Limited Partnership

Payable Penalty Amount: Fifty-Two Thousand Three Hundred Sixty Dollars (\$52,360)

SEP Amount: Twenty-Six Thousand One Hundred Eighty Dollars (\$26,180)

Type of SEP: Pre-approved

Third-Party Recipient: Barbers Hill Independent School District-Alternative Fueled Vehicle and Equipment Program

Location of SEP: Chambers County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. **Project Description**

A. Project

The Respondent will contribute to Barbers Hill Independent School District's ("Barbers Hill ISD") Alternative Fueled Vehicle and Equipment Program in Chambers County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between Barbers Hill ISD and the Texas Commission on Environmental Quality*. SEP monies will be used to retire current diesel-powered or gasoline powered vehicles and equipment and replace those vehicles and equipment with alternative-fueled vehicles and equipment; convert current vehicles and equipment to alternative-fueled equipment; or retrofit current gasoline or diesel-powered equipment.

SEP Funds will only be used for the incremental costs of purchase of clean fuel or lower-emission vehicles or retrofit of existing vehicles and for the purchase of these cleaner burning fuels.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible-environmental benefit by reducing air pollution emissions of particulate matter, volatile organic compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel that would have been generated by older vehicles.

C. Minimum Expenditure

Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

John Johnson  
Carl Griffith & Associates, Inc.  
2901 Turtle Creek Drive, Suite 101  
Port Arthur, Texas 77642

**3. Records and Reporting**

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division  
Attention: SEP Coordinator, MC 219  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

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

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

**5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

**6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

