

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**

**DOCKET NO.:** 2008-1299-AIR-E **TCEQ ID:** RN102583291 and RN100222900 **CASE NO.:** 36359

**RESPONDENT NAME:** Targa Midstream Services Limited Partnership

<b>ORDER TYPE:</b>		
<input type="checkbox"/> 1660 AGREED ORDER	<input checked="" 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 Terminal and Mont Belvieu Fractionator, 10319 Highway 146, Mont Belvieu, Chambers County</p> <p><b>TYPE OF OPERATION:</b> Bulk materials storage and distribution terminal and a 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 one additional pending enforcement action regarding the Mont Belvieu Fractionator, Docket No. 2009-0130-AIR-E.</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 April 6, 2009. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768  <b>TCEQ Enforcement Coordinator:</b> Ms. Rebecca Johnson, Enforcement Division, Enforcement Team 5, MC R-14, (361) 825-3420; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387  <b>Respondent:</b> Ms. Jessica Keiser, Assistant Vice President EH&amp;S, Targa Midstream Services Limited Partnership, 1000 Louisiana, Suite 4300, Houston, Texas 77098                  Mr. Hunter Battle, Vice President, Targa Midstream Services Limited Partnership, 1000 Louisiana, Suite 4300, Houston, Texas 77098  <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 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> May 19, and February 19, 2008 and December 3, 2007</p> <p><b>Date of NOV/NOE Relating to this Case:</b> July 30, August 26, and August 27, 2008 (NOE)</p> <p><b>Background Facts:</b> These were record reviews.</p> <p><b>AIR</b></p> <p>1) Failure to prevent unauthorized emissions during Incident No. 105897. Specifically, during the April 5, 2008 emissions event, 139.61 pounds ("lbs") of unauthorized propylene emissions were released from the Air Assisted Flare over a period of 18 hours and five minutes when a thermal relief valve opened prematurely and did not reseal. Since the emissions event could have been avoided through better operation practices, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [Air Permit No. 22088, Special Condition No. 1, 30 TEX. ADMIN. CODE § 116.115(c), and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2) Failure to submit additional information to the TCEQ within the established time frame. Specifically, additional information relating to Incident No. 105897 was required to be submitted by June 2, 2008; however, the additional information was not submitted until June 6, 2008 [30 TEX. ADMIN. CODE § 101.201(f) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>3) Failure to have authorization for the loading of 792 trucks with a butane/butylene mix. Specifically, Air</p>	<p><b>Total Assessed:</b> \$21,602</p> <p><b>Total Deferred:</b> \$0  <input type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$10,801</p> <p><b>Total Paid to General Revenue:</b> \$10,801</p> <p>RN102583291 and RN100222900  <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>Findings Orders Justification:</b> This case involves unauthorized emissions which have been deemed excessive.</p>	<p><b>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. Obtained Permit-by-Rule Registration No. 82076 on June 8, 2007 for the loading of the butane/butylene mix; and</p> <p>b. Updated the Environmental Department's personal information management software on August 28, 2008 to ensure that requested information is submitted within the required time frame.</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. Implement measures designed to prevent the recurrence of emissions events due to the same cause as Incident No. 105897; and</p> <p>ii. Implement measures designed to ensure that emissions events are reported.</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision No. 2.a.;</p> <p>c. Comply with the TCEQ request letter dated August 27, 2008 for submittal of a corrective action plan ("CAP") to address the excessive emissions event that occurred on October 13, 2007 (Incident No. 98657);</p> <p>d. Respond completely and adequately, as determined by the Executive Director, to all written requests for information</p>

<p>Permit No. 22088 authorizes the loading of propylene, propane, isobutane, and butane, but does not authorize loading of the butane/butylene mix [30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH &amp; SAFETY CODE §§ 382.085(b) and 382.0518(a)].</p> <p>4) Failure to prevent unauthorized emissions during Incident No. 98657. Specifically, during the October 13, 2007 emissions event, 37,133 lbs of unauthorized volatile organic compounds were released from the Air Assisted Flare, North Flare, South Flare, and a mechanical relief valve over a period of two hours and 45 minutes when two tubes in an overhead condensing coil ruptured. Since the emissions event could have been avoided through better operation practices, was not properly reported, and determined to be excessive, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [Air Permit No. 56431, Special Condition No. 1, 30 TEX. ADMIN. CODE § 116.115(c), and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>5) Failure to properly report Incident No. 98657. Specifically, the final report submitted for Incident No. 98657 did not include the authorized emission limits or the products of combustion emitted from the flares [30 TEX. ADMIN. CODE § 101.201(b)(1)(G) and (H) and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>		<p>concerning the submitted CAP within 15 days after the date of such requests, or by any other deadline specified in writing;</p> <p>e. Upon Commission approval, implement the CAP in accordance with the approved schedule;</p> <p>f. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provision Nos. 2.c. through 2.e.; and</p> <p>g. Written certification shall include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.b. and 2.f.</p>
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Additional ID No(s): CI0021C



Attachment A  
Docket Number: 2008-1299-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

**Respondent:** Targa Midstream Services Limited Partnership

**Payable Penalty Amount:** Twenty-One Thousand Six Hundred Two Dollars (\$21,602)

**SEP Amount:** Ten Thousand Eight Hundred One Dollars (\$10,801)

**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 ATexas Commission on Environmental Quality@ and mailed to:

Targa Midstream Services Limited Partnership  
Agreed Order B Attachment A

Office of Legal Services  
Attention: SEP Coordinator, MC 175  
Texas Commission on Environmental Quality  
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.





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 12, 2008

**TCEQ**

<b>DATES</b>	<b>Assigned</b>	10-Sep-2008	<b>Screening</b>	8-Oct-2008	<b>EPA Due</b>	26-Apr-2009
	<b>PCW</b>	8-Oct-2008				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Targa Midstream Services Limited Partnership
<b>Reg. Ent. Ref. No.</b>	RN100222900
<b>Facility/Site Region</b>	12-Houston
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	36359	<b>No. of Violations</b>	2
<b>Docket No.</b>	2008-1299-AIR-E	<b>Order Type</b>	Findings
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Rebecca Johnson
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1**

**ADJUSTMENTS (+/-) TO SUBTOTAL 1**

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

**Compliance History**  Enhancement **Subtotals 2, 3, & 7**

**Notes**

**Culpability**   Enhancement **Subtotal 4**

**Notes**

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  Enhancement\* **Subtotal 6**

Total EB Amounts   
Approx. Cost of Compliance  \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction **Adjustment**

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

**Notes**

**PAYABLE PENALTY**

Screening Date 8-Oct-2008

Docket No. 2008-1299-AIR-E

PCW

Respondent Targa Midstream Services Limited Partnership

Policy Revision 2 (September 2002)

Case ID No. 36359

PCW Revision June 12, 2008

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Rebecca Johnson

### 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)	3	15%
	Other written NOVs	0	0%
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%

Please Enter Yes or No

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

Adjustment Percentage (Subtotal 2) 55%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Penalty enhancement due to three NOVs issued for same or similar violations and two agreed orders with a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 55%

<b>Screening Date</b> 8-Oct-2008	<b>Docket No.</b> 2008-1299-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> 36359	<small>PCW Revision June 12, 2008</small>			
<b>Reg. Ent. Reference No.</b> RN100222900				
<b>Media [Statute]</b> Air				
<b>Enf. Coordinator</b> Rebecca Johnson				
<b>Violation Number</b>	1			
<b>Rule Cite(s)</b>	Air Permit No. 56431, Special Condition No. 1, 30 Tex. Admin. Code § 116.115(c), and Tex. Health & Safety Code § 382.085(b)			
<b>Violation Description</b>	Failed to prevent unauthorized emissions during Incident No. 98657. Specifically, during the October 13, 2007 emissions event, 37,133 pounds of unauthorized volatile organic compounds were released from the Air Assisted Flare, North Flare, South Flare, and a mechanical relief valve over a period of two hours and 45 minutes when two tubes in an overhead condensing coil ruptured. Since the emissions event could have been avoided through better operation practices, was not properly reported, and determined to be excessive, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.			
<b>Base Penalty</b>		\$10,000		
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>				
OR	<b>Harm</b>			
	<b>Release</b>	Major	Moderate	Minor
	Actual	x		
	Potential			
		<b>Percent</b>	100%	
<b>&gt;&gt; Programmatic Matrix</b>				
	Falsification	Major	Moderate	Minor
		<b>Percent</b>	0%	
<b>Matrix Notes</b>	Human health or the environment in the Houston-Galveston-Brazoria ozone non-attainment area have been exposed to an excessive amount of pollutants as a result of the violation. Screen3 Modeling predicted that the fence line ambient air concentrations of propane, isobutene, n-butane, isopentane and n-pentane would be above the TCEQ 1-Hour Effects Screening Levels.			
<b>Adjustment</b>		\$0		
		\$10,000		
<b>Violation Events</b>				
	Number of Violation Events	1	Number of violation days	
		1		
<small>mark only one with an x</small>	daily	x		
	monthly			
	quarterly			
	semiannual			
	annual			
	single event			
		<b>Violation Base Penalty</b>	\$10,000	
One daily event is recommended.				
<b>Good Faith Efforts to Comply</b>		0.0% Reduction	\$0	
	Before NOV	NOV to EDRP/Settlement Offer		
Extraordinary				
Ordinary				
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>		\$10,000		
<b>Economic Benefit (EB) for this violation</b>		<b>Statutory Limit Test</b>		
<b>Estimated EB Amount</b>	\$384	<b>Violation Final Penalty Total</b>	\$15,500	
		<b>This violation Final Assessed Penalty (adjusted for limits)</b>		
		\$10,000		

## Economic Benefit Worksheet

**Respondent** Targa Midstream Services Limited Partnership  
**Case ID No.** 36359  
**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
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)	\$5,000	13-Oct-2007	26-Apr-2009	1.54	\$384	n/a	\$384

**Notes for DELAYED costs**  
 Estimated cost to implement measures designed to ensure that tubes in the overhead condensing coils do not rupture due to stress corrosion. Date required is the date of the emissions event. Final date is the projected date corrective actions will be completed.

**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**

<b>Approx. Cost of Compliance</b>	\$5,000	<b>TOTAL</b>	\$384
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<b>Screening Date</b> 8-Oct-2008	<b>Docket No.</b> 2008-1299-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> 36359	<small>PCW Revision June 12, 2008</small>			
<b>Reg. Ent. Reference No.</b> RN100222900				
<b>Media [Statute]</b> Air				
<b>Enf. Coordinator</b> Rebecca Johnson				
<b>Violation Number</b> <input type="text" value="2"/>				
<b>Rule Cite(s)</b>	30 Tex. Admin. Code § 101.201(b)(1)(G) and (H) and Tex. Health & Safety Code § 382.085(b)			
<b>Violation Description</b>	Failed to properly report Incident No. 98657. Specifically, the final report submitted for Incident No. 98657 did not include the authorized emission limits or the products of combustion emitted from the flares.			
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>		
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>				
<b>OR</b>	<b>Release</b>	<b>Harm</b>		
		Major      Moderate      Minor		
	Actual	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	
			<b>Percent</b> <input type="text" value="0%"/>	
<b>&gt;&gt; Programmatic Matrix</b>				
	<b>Falsification</b>	<b>Major</b>	<b>Moderate</b>	<b>Minor</b>
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="x"/>
			<b>Percent</b> <input type="text" value="1%"/>	
<b>Matrix Notes</b>	<input type="text" value="Less than 30% of the reporting requirements was not met."/>			
<b>Adjustment</b>			<input type="text" value="\$9,900"/>	
			<input type="text" value="\$100"/>	
<b>Violation Events</b>				
	<b>Number of Violation Events</b>	<input type="text" value="1"/>	<input type="text" value="360"/> <b>Number of violation days</b>	
<small>mark only one with an x</small>	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$100"/>	
	monthly	<input type="text"/>		
	quarterly	<input type="text"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	<input type="text" value="x"/>		
<input type="text" value="One single event is recommended."/>				
<b>Good Faith Efforts to Comply</b>			<input type="text" value="0.0%"/> <b>Reduction</b>	
			<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 type="text" value="x"/>	<input type="text" value="(mark with x)"/>		
<b>Notes</b>	<input type="text" value="The Respondent does not meet the good faith criteria for this violation."/>			
<b>Violation Subtotal</b>			<input type="text" value="\$100"/>	
<b>Economic Benefit (EB) for this violation</b>		<b>Statutory Limit Test</b>		
<b>Estimated EB Amount</b>	<input type="text" value="\$13"/>	<b>Violation Final Penalty Total</b>	<input type="text" value="\$155"/>	
<b>This violation Final Assessed Penalty (adjusted for limits)</b>			<input type="text" value="\$155"/>	

## Economic Benefit Worksheet

**Respondent** Targa Midstream Services Limited Partnership  
**Case ID No.** 36359  
**Reg. Ent. Reference No.** RN100222900  
**Media** Air  
**Violation No.** 2

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	\$0
Buildings			0.00	\$0	\$0	\$0	\$0
Other (as needed)			0.00	\$0	\$0	\$0	\$0
Engineering/construction			0.00	\$0	\$0	\$0	\$0
Land			0.00	\$0	n/a	n/a	\$0
Record Keeping System			0.00	\$0	n/a	n/a	\$0
Training/Sampling			0.00	\$0	n/a	n/a	\$0
Remediation/Disposal			0.00	\$0	n/a	n/a	\$0
Permit Costs			0.00	\$0	n/a	n/a	\$0
Other (as needed)	\$500	13-Oct-2008	26-Apr-2009	0.53	\$13	n/a	\$13

**Notes for DELAYED costs**    Estimated cost to implement measures designed to ensure that required information is submitted in the final report for emissions events. Date required is the date the final report was submitted. Final date is the projected date corrective actions will be completed.

**Avoided Costs**

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

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

**Notes for AVOIDED costs**

**Approx. Cost of Compliance**    \$500    **TOTAL**    \$13

# Compliance History

Customer/Respondent/Owner-Operator: CN601301559 Targa Midstream Services Limited Partnership Classification: AVERAGE Rating: 3.29  
Regulated Entity: RN100222900 MONT BELVIEU FRACTIONATOR Classification: AVERAGE Site Rating: 8.70

ID Number(s):	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	CI0022A
	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	CI0022A
	AIR OPERATING PERMITS	PERMIT	612

Location: 10319 HIGHWAY 146, MONT BELVIEU, TX, 77580

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: October 08, 2008

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: October 07, 2003 to October 07, 2008

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

Name: Rebecca Johnson Phone: (713) 422-8931

## 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)? Dynegy Midstream Services Limited Partnership
5. When did the change(s) in ownership occur? 09/03/2005

## 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)

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)

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)

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	02/19/2004	(250386)
2	08/24/2004	(251770)
3	11/11/2004	(292110)
4	12/09/2004	(335384)
5	01/03/2005	(343556)
6	05/24/2005	(375908)
7	07/25/2005	(401605)
8	08/05/2005	(395757)
9	08/19/2005	(395704)
10	08/19/2005	(397399)
11	08/19/2005	(397726)
12	08/24/2005	(397833)
13	11/04/2005	(433386)
14	02/27/2006	(455063)
15	03/31/2006	(461076)
16	08/11/2006	(455067)
17	08/11/2006	(455579)
18	08/31/2007	(566916)
19	09/07/2007	(572701)
20	03/13/2008	(615058)
21	08/27/2008	(593595)
22	08/29/2008	(701516)

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

Date: 06/17/2004 (251770)

Self Report? 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)

Self Report? 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)

Rqmt Prov: OP FOP # O-00612, SC # 10  
OP FOP # O-00612, SC # 1A  
PERMIT NSR # 56431, SC # 2C

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 Report? 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)

Rqmt Prov: OP FOP # O-00612, SC # 2E

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)

Rqmt Prov: OP FOP # O-00612, SC # 1A

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)

Rqmt Prov: OP 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)

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)

Rqmt Prov: OP FOP # O-00612, SC # 9

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)

Rqmt Prov: OP FOP # O-00612, General Terms & Condition

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)

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)

Rqmt Prov: OP Permit O-00612 Gen. Terms and Conditions

Description: Failure to submit the semiannual deviation report within 30 days of the end of the second deviation reporting period.

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



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 12, 2008

<b>DATES</b>	Assigned	2-Sep-2008	Screening	8-Oct-2008	EPA Due	26-Apr-2009
	PCW	8-Oct-2008				

<b>RESPONDENT/FACILITY INFORMATION</b>			
Respondent	Targa Midstream Services Limited Partnership		
Reg. Ent. Ref. No.	RN102583291		
Facility/Site Region	12-Houston	Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	36359	No. of Violations	3
Docket No.	2008-1299-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rebecca Johnson
		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**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

**Compliance History**  Enhancement **Subtotals 2, 3, & 7**

Notes

**Culpability**   Enhancement **Subtotal 4**

Notes

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  Enhancement\* **Subtotal 6**

Total EB Amounts   
Approx. Cost of Compliance  \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction **Adjustment**

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

Notes

**PAYABLE PENALTY**

**Screening Date** 8-Oct-2008

**Docket No.** 2008-1299-AIR-E

**PCW**

**Respondent** Targa Midstream Services Limited Partnership

Policy Revision 2 (September 2002)

**Case ID No.** 36359

PCW Revision June 12, 2008

**Reg. Ent. Reference No.** RN102583291

**Media [Statute]** Air

**Enf. Coordinator** Rebecca Johnson

**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)	6	30%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<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)** 32%

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

No

**Adjustment Percentage (Subtotal 3)** 0%

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

Average Performer

**Adjustment Percentage (Subtotal 7)** 0%

>> **Compliance History Summary**

**Compliance History Notes**

Penalty enhancement due to six NOVs issued for same or similar violations and one NOV issued for unrelated violations.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 32%

<b>Screening Date</b> 8-Oct-2008	<b>Docket No.</b> 2008-1299-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> 36359		<small>PCW Revision June 12, 2008</small>	
<b>Reg. Ent. Reference No.</b> RN102583291			
<b>Media [Statute]</b> Air			
<b>Enf. Coordinator</b> Rebecca Johnson			
<b>Violation Number</b> <input type="text" value="1"/>			
<b>Rule Cite(s)</b>	Air Permit No. 22088, Special Condition No. 1, 30 Tex. Admin. Code § 116.115(c), and Tex. Health & Safety Code § 382.085(b)		
<b>Violation Description</b>	Failed to prevent unauthorized emissions during Incident No. 105897. Specifically, during the April 5, 2008 emissions event, 139.61 pounds of unauthorized propylene emissions were released from the Air Assisted Flare over a period of 18 hours and five minutes when a thermal relief valve opened prematurely and did not reseal. Since the emissions event could have been avoided through better operation practices, the demonstrations in 30 Tex. Admin. Code § 101.222 necessary to present an affirmative defense were not met.		
	<b>Base Penalty</b>	<input type="text" value="\$10,000"/>	
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>			
<b>OR</b>	<b>Release</b>	<b>Harm</b>	
		Major      Moderate      Minor	
	Actual	<input type="text"/>	<input type="text" value="x"/>
	Potential	<input type="text"/>	<input type="text"/>
<b>&gt;&gt; Programmatic Matrix</b>			
	Falsification	Major      Moderate      Minor	
	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>
<b>Matrix Notes</b>	Human health or the environment have been exposed to an insignificant amount of pollutants that did not exceed protective levels 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="1"/>	Number of violation days
		<input type="text" value="1"/>	
<small>mark only one with an x</small>	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$2,500"/>
	monthly	<input type="text"/>	
	quarterly	<input type="text" value="x"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text"/>	
	One quarterly event is recommended.		
<b>Good Faith Efforts to Comply</b>			
	<b>0.0% Reduction</b>	<input type="text" value="\$0"/>	
	<small>Before NOV      NOV to EDPRP/Settlement Offer</small>		
Extraordinary	<input type="text"/>		
Ordinary	<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="\$2,500"/>	
<b>Economic Benefit (EB) for this violation</b>		<b>Statutory Limit Test</b>	
Estimated EB Amount	<input type="text" value="\$106"/>	Violation Final Penalty Total	<input type="text" value="\$3,300"/>
		<b>This violation Final Assessed Penalty (adjusted for limits)</b>	<input type="text" value="\$3,300"/>

### Economic Benefit Worksheet

**Respondent** Targa Midstream Services Limited Partnership  
**Case ID No.** 36359  
**Reg. Ent. Reference No.** RN102583291  
**Media** Air  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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)	\$2,000	5-Apr-2008	26-Apr-2009	1.06	\$106	\$106

**Notes for DELAYED costs**  
 Estimated cost to implement measures designed to ensure that the thermal relief valve does not open below its set point. Date required is the date of the emissions event. Final date is the projected date corrective actions will be completed.

**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**    **\$2,000**    **TOTAL**    **\$106**

<b>Screening Date</b> 8-Oct-2008	<b>Docket No.</b> 2008-1299-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> 36359	<small>PCW Revision June 12, 2008</small>		
<b>Reg. Ent. Reference No.</b> RN102583291			
<b>Media [Statute]</b> Air			
<b>Enf. Coordinator</b> Rebecca Johnson			
<b>Violation Number</b>	2		
<b>Rule Cite(s)</b>	30 Tex. Admin. Code § 101.201(f) and Tex. Health & Safety Code § 382.085(b)		
<b>Violation Description</b>	Failed to submit additional information to the TCEQ within the established time frame. Specifically, additional information relating to Incident No. 105897 was required to be submitted by June 2, 2008; however, the additional information was not submitted until June 6, 2008.		
<b>Base Penalty</b>		\$10,000	
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>			
OR	<b>Harm</b>		
	Major	Moderate	Minor
	Actual	Potential	Percent
	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>
<b>&gt;&gt; Programmatic Matrix</b>			
	Major	Moderate	Minor
	<input type="text"/>	<input type="text"/>	<input type="text" value="x"/>
Percent			<input type="text" value="1%"/>
<b>Matrix Notes</b>	Less than 30% of the rule requirement was not met.		
<b>Adjustment</b>		\$9,900	
			\$100
<b>Violation Events</b>			
Number of Violation Events		<input type="text" value="1"/>	<input type="text" value="4"/>
		Number of violation days	
<small>mark only one with an x</small>	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$100"/>
	monthly	<input type="text"/>	
	quarterly	<input type="text"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text" value="x"/>	
One single event is recommended.			
<b>Good Faith Efforts to Comply</b>			
		<input type="text" value="10.0%"/>	<b>Reduction</b> <input type="text" value="\$10"/>
		Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>	
Ordinary	<input type="text"/>	<input type="text" value="x"/>	
N/A	<input type="text"/>	<input type="text" value="(mark with x)"/>	
<b>Notes</b>	The Respondent completed corrective actions on August 28, 2008.		
<b>Violation Subtotal</b>		\$90	
<b>Economic Benefit (EB) for this violation</b>		<b>Statutory Limit Test</b>	
<b>Estimated EB Amount</b>	<input type="text" value="\$6"/>	<b>Violation Final Penalty Total</b>	<input type="text" value="\$122"/>
		<b>This violation Final Assessed Penalty (adjusted for limits)</b>	<input type="text" value="\$122"/>

## Economic Benefit Worksheet

**Respondent** Targa Midstream Services Limited Partnership  
**Case ID No.** 36359  
**Reg. Ent. Reference No.** RN102583291  
**Media** Air  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

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

No commas or \$

**Delayed Costs**

Equipment				0.00	\$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)	\$500	2-Jun-2008	28-Aug-2008	0.24	\$6	n/a	\$6

**Notes for DELAYED costs**

Estimated cost to update the Environmental Department's personal information management software to ensure that requested information is submitted within the required time frame. Date required is the date the additional information was due to be submitted. Final date is the date corrective actions were completed.

**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 \$500

TOTAL \$6

<b>Screening Date</b> 8-Oct-2008	<b>Docket No.</b> 2008-1299-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> 36359	<small>PCW Revision June 12, 2008</small>			
<b>Reg. Ent. Reference No.</b> RN102583291				
<b>Media [Statute]</b> Air				
<b>Enf. Coordinator</b> Rebecca Johnson				
<b>Violation Number</b> <input type="text" value="3"/>				
<b>Rule Cite(s)</b>	30 Tex. Admin. Code § 116.110(a) and Tex. Health & Safety Code §§ 382.085(b) and 382.0518(a)			
<b>Violation Description</b>	Failed to have authorization for the loading of 792 trucks with a butane/butylene mix from August 27, 2006 to February 26, 2007. Specifically, Air Permit No. 22088 authorizes the loading of propylene, propane, isobutane, and butane, but does not authorize loading of the butane/butylene mix.			
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>		
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>				
<b>OR</b>	<b>Release</b>	<b>Harm</b>		
		Major      Moderate      Minor		
	Actual	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="0%"/>
	Potential	<input type="text"/>	<input type="text"/>	
<b>&gt;&gt; Programmatic Matrix</b>				
	<b>Falsification</b>	Major      Moderate      Minor		
	<input type="text"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<b>Percent</b> <input type="text" value="25%"/>	
<b>Matrix Notes</b>	100% of the rule requirement was not met.			
<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="3"/>	<input type="text" value="184"/>	<b>Number of violation days</b>	
<small>mark only one with an x</small>	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$7,500"/>	
	monthly	<input type="text"/>		
	quarterly	<input checked="" type="checkbox"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	<input type="text"/>		
Three quarterly events are recommended from August 27, 2006 to February 26, 2007.				
<b>Good Faith Efforts to Comply</b>		<input type="text" value="25.0%"/> Reduction	<input type="text" value="\$1,875"/>	
		Before NOV      NOV to EDPRP/Settlement Offer		
	Extraordinary	<input type="text"/>		
	Ordinary	<input checked="" type="checkbox"/>		
	N/A	(mark with x)		
<b>Notes</b>	The Respondent obtained authorization for the butane/butylene mix on June 8, 2007.			
<b>Violation Subtotal</b>		<input type="text" value="\$5,625"/>		
<b>Economic Benefit (EB) for this violation</b>		<b>Statutory Limit Test</b>		
<b>Estimated EB Amount</b>	<input type="text" value="\$39"/>	<b>Violation Final Penalty Total</b>	<input type="text" value="\$8,025"/>	
		<b>This violation Final Assessed Penalty (adjusted for limits)</b>	<input type="text" value="\$8,025"/>	

## Economic Benefit Worksheet

**Respondent** Targa Midstream Services Limited Partnership  
**Case ID No.** 36359  
**Reg. Ent. Reference No.** RN102583291  
**Media** Air  
**Violation No.** 3

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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	\$1,000	27-Aug-2006	8-Jun-2007	0.78	\$39	n/a
Other (as needed)			0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to obtain a Permit-by-Rule. Date required is the earliest date the violation was documented. Final date is the date the Permit-by-Rule was issued.

**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 \$1,000

TOTAL \$39

# Compliance History

Customer/Respondent/Owner-Operator: CN601301559 Targa Midstream Services Limited Partnership Classification: AVERAGE Rating: 3.29  
 Regulated Entity: RN102583291 MONT BELVIEU TERMINAL Classification: AVERAGE Site Rating: 1.83

ID Number(s):	AIR NEW SOURCE PERMITS	PERMIT	18929
	AIR NEW SOURCE PERMITS	PERMIT	22088
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	CI0021C
	AIR NEW SOURCE PERMITS	REGISTRATION	75496
	AIR NEW SOURCE PERMITS	AFS NUM	4807100037
	AIR NEW SOURCE PERMITS	REGISTRATION	81866
	AIR NEW SOURCE PERMITS	REGISTRATION	82049
	AIR NEW SOURCE PERMITS	REGISTRATION	82076
	AIR OPERATING PERMITS	ACCOUNT NUMBER	CI0021C
	AIR OPERATING PERMITS	PERMIT	615

Location: 10319 HIGHWAY 146, MONT BELVIEU, TX, 77580 Rating Date: 9/1/2008 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: October 07, 2008

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: October 07, 2003 to October 07, 2008

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

Name: Rebecca Johnson Phone: (713) 422-8931

## 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)?  | Dynegy Midstream Services Limited Partnership |
| 5. When did the change(s) in ownership occur?  | 09/03/2005                                    |

### Components (Multimedia) for the Site :

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

N/A

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

N/A

C. Chronic excessive emissions events.

N/A

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

- |   |            |          |
|---|------------|----------|
| 1 | 11/05/2003 | (250384) |
| 2 | 09/30/2004 | (335593) |
| 3 | 07/25/2005 | (401599) |
| 4 | 12/30/2005 | (439062) |
| 5 | 04/21/2006 | (455930) |
| 6 | 02/23/2007 | (490133) |
| 7 | 03/08/2007 | (532752) |

8 04/30/2007 (543361)  
 9 10/03/2007 (572620)  
 10 10/03/2007 (573272)  
 11 10/03/2007 (593834)  
 12 10/25/2007 (573213)  
 13 10/26/2007 (573249)  
 14 11/02/2007 (593428)  
 15 11/05/2007 (593529)  
 16 11/27/2007 (597983)  
 17 01/15/2008 (611836)  
 18 01/15/2008 (611953)  
 19 06/05/2008 (681989)  
 20 07/30/2008 (686170)  
 21 08/26/2008 (610696)  
 22 08/27/2008 (688449)

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

**Date: 04/24/2006 (455930)**  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 Rqmt Prov: PA Permit #22088, Special Condition 9E  
 Description: Failed to cap or plug valve/line # 02456, and a valve located in Grid Number #274 with 10,000 ppmv emissions The valves/lines were in Volatile Organic Compound (VOC's) service and without the required cap or plug

**Date: 03/08/2007 (532752)**  
 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)  
 Rqmt Prov: OP O-00615, General Terms and Conditions,  
 Description: TMS failed to submit all the deviations during the August 27, 2005 through February 26, 2006 certification period,

**Date: 10/03/2007 (572620)**  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter E 117.520(c)(2)(C)(i)  
 Description: RE failed to submit initial compliance stack test reports by the deadline of March 31, 2007. The reports were received on May 23, 2007.

**Date: 10/03/2007 (593834)**  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter B 117.211(e)(1)  
 Description: The RE failed to properly follow EPA reference method 7E as required by 30 TAC 117.211(e)(1)

**Date: 10/03/2007 (573272)**  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 5C THC Chapter 382, SubChapter D 382.085(b)  
 Rqmt Prov: PERMIT #22088, S.C. #1  
 Description: RE failed to comply with NOx emission standards as listed in the MAERT table of permit 22088.

**Date: 08/26/2008 (610696)**  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: 5C THSC Chapter 382 382.085(b)  
 OP FOP-00615, SC 7A  
 PERMIT NSR Permit 56431 SC 3(D)

Description: Failure to maintain maximum amount of pipeline shutdowns during a 12-month period.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: OP FOP O-00615, Special Condition 2

Description: Failure to record unauthorized emissions from exceedance of MSS activities.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: OP FOP O-00615, SC 3(A)iv3  
 OP FOP O-00615, SC 3(B)iv3

Description: OP FOP O-00615, SC 3(C)iii2  
 OP FOP O-00615, SC 3(D)iii2  
 Failure to form a formal program to document stationary vent readings for opacity or visible emissions.

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)

Rqmt Prov: OP FOP O-00615, SC 7  
 PERMIT NSR Permit 22088, SC 8

Description: Failure to maintain maximum amount of loading trucks per year of isobutane.

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 THSC Chapter 382 382.085(b)

Rqmt Prov: OP FOP O-00615, General Terms&Conditions

Description: Failure to report in previous Title V deviation the loading of an unauthorized mix of butane-butylene mix.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter H 117.9020(2)(C)(i)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: OP FOP O-00615 SC10 A(i)(2)

Description: Failure to submit initial compliance stack test reports for terminal heaters by deadline.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter C 117.305  
 5C THSC Chapter 382 382.085(b)

Description: Failure to prevent CO emissions exceedance of 400 ppmv.

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)

Rqmt Prov: OP FOP O-00615 SC 7  
 PERMIT NSR Permit 22088, SC 1

Description: Failure to maintain allowable NOx emission rate below compliance level.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 117, SubChapter B 117.345(f)(10)  
 5C THSC Chapter 382 382.085(b)

Description: Failure to record start and stop times of emergency engine testing and purpose of testing.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter C 122.210(a)  
 5C THSC Chapter 382 382.085(b)

Description: Failed to include the following in the Title-V Permit O-00615: NSR permit 18929, PBR 106.264, G-1, G-2, G-3 with applicable 115 requirements, Parts Washer, and NSR Permit 56431.

Date: 08/27/2008 (688449)

Self Report? NO

Classification: Moderate

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

Rqmt Prov: PA TCEQ Air Permit #22088, SC#1

Description: Targa failed to prevent the leaking thermocouple on the ethylene dehydrator which resulted in this emissions event.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN	§	BEFORE THE
ENFORCEMENT ACTION	§	
CONCERNING	§	TEXAS COMMISSION ON
TARGA MIDSTREAM SERVICES	§	
LIMITED PARTNERSHIP	§	
RN102583291 AND RN100222900	§	ENVIRONMENTAL QUALITY

**AGREED ORDER  
DOCKET NO. 2008-1299-AIR-E**

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 presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. 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. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

**I. FINDINGS OF FACT**

1. The Respondent owns and operates a bulk materials storage and distribution terminal and a natural gas fractionator at 10319 Highway 146 in Mont Belvieu, Chambers County, Texas (the "Plants").

2. The Plants consist of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
  3. During a record review on May 19, 2008, TCEQ staff documented that during an April 5, 2008 emissions event (Incident No. 105897) 139.61 pounds ("lbs") of unauthorized propylene emissions were released from the Air Assisted Flare over a period of 18 hours and five minutes when a thermal relief valve opened prematurely and did not reseal.
  4. During a record review on May 19, 2008, TCEQ staff requested additional information relating to Incident No. 105897 and required it to be submitted by June 2, 2008, however, the additional information was not submitted until June 6, 2008.
  5. During a record review on February 19, 2008, TCEQ staff documented that the Respondent failed to have authorization for the loading of 792 trucks with a butane/butylene mix from August 27, 2006 to February 26, 2007. Specifically, TCEQ staff documented that Air Permit No. 22088 authorizes the loading of propylene, propane, isobutane, and butane, but does not authorize loading of the butane/butylene mix.
  6. During a record review on December 3, 2007, TCEQ staff documented that during a October 13, 2007 emissions event (Incident No. 98657) 37,133 lbs of unauthorized volatile organic compounds were released from the Air Assisted Flare, the North Flare, the South Flare, and a mechanical relief valve over a period of two hours and 45 minutes when two tubes in an overhead condensing coil ruptured.
  7. During a record review on December 3, 2007, TCEQ staff documented that the final report submitted for Incident No. 98657 did not include the authorized emissions limits or the products of combustion emitted from the flares.
  8. The Respondent received notices of the violations on August 4, 2008, August 31, 2008, and September 1, 2008.
  9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plants:
    - a. Obtained Permit-by-Rule Registration No. 82076 on June 8, 2007 for the loading of the butane/butylene mix; and
    - b. Updated the Environmental Department's personal information management software on August 28, 2008 to ensure that requested information is submitted within the required time frame.
-

## II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to prevent unauthorized emissions during Incident No. 105897, in violation of Air Permit No. 22088, Special Condition No. 1, 30 TEX. ADMIN. CODE § 116.115(c), and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event could have been avoided through better operation practices, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
3. As evidenced by Findings of Fact No. 4, the Respondent failed to submit additional information to the TCEQ within the established time frame, in violation of 30 TEX. ADMIN. CODE § 101.201(f) and TEX. HEALTH & SAFETY CODE § 382.085(b).
4. As evidenced by Findings of Fact No. 5, the Respondent failed to have authorization for the loading of 792 trucks with a butane/butylene mix, in violation of 30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.085(b) and 382.0518(a).
5. As evidenced by Findings of Fact No. 6, the Respondent failed to prevent unauthorized emissions during Incident No. 98657, in violation of Air Permit No. 56431, Special Condition No. 1, 30 TEX. ADMIN. CODE § 116.115(c), and TEX. HEALTH & SAFETY CODE § 382.085(b). Since the emissions event could have been avoided through better operation practices, was not properly reported, and determined to be excessive, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.
6. As evidenced by Findings of Fact No. 7, the Respondent failed to properly report Incident No. 98657, in violation of 30 TEX. ADMIN. CODE § 101.201(b)(1)(G) and (H) and TEX. HEALTH & SAFETY CODE § 382.085(b).
7. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
8. An administrative penalty in the amount of Twenty-One Thousand Six Hundred Two Dollars (\$21,602) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid Ten Thousand Eight Hundred One Dollars (\$10,801) of the administrative penalty. Ten Thousand Eight Hundred One Dollars (\$10,801) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

### III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Twenty-One Thousand Six Hundred Two Dollars (\$21,602) as set forth in Section II, Paragraph 8 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that 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. 2008-1299-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 II, Paragraph 8 above, Ten Thousand Eight Hundred One Dollars (\$10,801) 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. The Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order:
    - i. Implement measures designed to prevent the recurrence of emissions events due to the same cause as Incident No. 105897; and
    - ii. Implement measures designed to ensure that emissions events are reported in accordance with 30 TEX. ADMIN. CODE § 101.201.
  - b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision No. 3.a. as described in Ordering Provision 3.g.;
  - c. Comply with the TCEQ request letter dated August 27, 2008 for submittal of a corrective action plan ("CAP") to address the excessive emissions event that occurred on October 13, 2007 (Incident No. 98657), in accordance with 30 TEX. ADMIN. CODE § 101.223(a)(1);

- d. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the submitted CAP within 15 days after the date of such requests, or by any other deadline specified in writing;
- e. Upon Commission approval, implement the CAP in accordance with the approved schedule;
- f. Upon completion of CAP implementation, submit written certification to demonstrate compliance with Ordering Provision Nos. 3.c. through 3.e. as described in Ordering Provision No. 3.g.; and
- g. Written certification shall include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 3.b. and 3.f. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

Air Section, Manager  
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 Plants 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

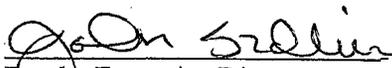
an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

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. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
8. 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.
9. 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.
10. 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.
11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

  
\_\_\_\_\_  
For the Executive Director

\_\_\_\_\_  
Date 3/24/2009

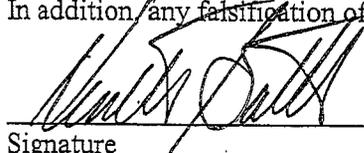
I, the undersigned, have read and understand the attached Agreed Order in the matter of Targa Midstream Services Limited Partnership. I am authorized to agree to the attached Agreed Order on behalf of Targa Midstream Services Limited Partnership, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Targa Midstream Services Limited Partnership waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

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.

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Date 1-30-09

Hunter Battle

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

\_\_\_\_\_  
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: 2008-1299-AIR-E

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

**Respondent:** Targa Midstream Services Limited Partnership  
**Payable Penalty Amount:** Twenty-One Thousand Six Hundred Two Dollars (\$21,602)  
**SEP Amount:** Ten Thousand Eight Hundred One Dollars (\$10,801)  
**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 ATexas Commission on Environmental Quality@ and mailed to:

Targa Midstream Services Limited Partnership  
Agreed Order B Attachment A

Office of Legal Services  
Attention: SEP Coordinator, MC 175  
Texas Commission on Environmental Quality  
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.

