

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2009-0130-AIR-E TCEQ ID: RN100222900 CASE NO.: 37081
RESPONDENT NAME: Targa Midstream Services Limited Partnership

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Mont Belvieu Fractionator, 10319 Highway 146, Mont Belvieu, Chambers County</p> <p>TYPE OF OPERATION: Natural gas liquid processing plant</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There are two additional pending enforcement actions regarding this facility location, Docket Nos. 2008-1299-AIR-E and 2009-0377-AIR-E.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on May 25, 2009. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Roshondra Lowe, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3553; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387 Respondent: Ms. Jessica Keiser, Environmental Manager, Targa Midstream Services Limited Partnership, 1000 Louisiana, Suite 4300, Houston, Texas 77002 Mr. Hunter Battle, Vice President, Targa Midstream Services Limited Partnership, 1000 Louisiana, Suite 4300, Houston, Texas 77002 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:		
VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: July 16, 2008</p> <p>Date of NOV/NOE Relating to this Case: January 16, 2009 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>Failure to prevent unauthorized emissions. Specifically, 287 pounds of propylene were released into the atmosphere due to the failure to properly lineup the distribution valves during the tank car off-loading process. The emissions event occurred on June 9, 2008 and lasted one hour. Since the emissions event was avoidable by better operational practices, the Respondent failed to meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Air Permit No. 5414, Special Condition No. 1].</p>	<p>Total Assessed: \$3,800</p> <p>Total Deferred: \$760 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$3,040</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a) Within 30 days after the effective date of this Agreed Order, implement procedures designed to ensure that distribution valves are lined up during the tank car off-loading process; and</p> <p>b) Within 45 days after the effective date of this Agreed Order, submit written certification demonstrating compliance with Ordering Provision a.</p>

Additional ID No(s): CI0022A



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision October 30, 2008

DATES	Assigned	20-Jan-2009	Screening	28-Jan-2009	EPA Due	5-Oct-2009
	PCW	9-Feb-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.	37081	No. of Violations	1
Docket No.	2009-0130-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Roshondra Lowe
Admin. Penalty \$ Limit Minimum	\$0	EC's Team	Enforcement Team 5
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 28-Jan-2009

Docket No. 2009-0130-AIR-E

PCW

Respondent Targa Midstream Services Limited Partnership

Policy Revision 2 (September 2002)

Case ID No. 37081

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100222900

Media [Statute] Air

Enf. Coordinator Roshondra Lowe

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	2	10%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	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) 52%

>> 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 enhanced due to two NOVs for same or similar violations, one NOV for an unrelated issue and two 1660-style Agreed Orders containing a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 52%

Screening Date 28-Jan-2009	Docket No. 2009-0130-AIR-E	PCW														
Respondent Targa Midstream Services Limited Partnership		<small>Policy Revision 2 (September 2002)</small>														
Case ID No. 37081		<small>PCW Revision October 30, 2008</small>														
Reg. Ent. Reference No. RN100222900																
Media [Statute] Air																
Enf. Coordinator Roshondra Lowe																
Violation Number <input type="text" value="1"/>																
Rule Cite(s)	30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b) and Air Permit No. 5414, Special Condition No. 1															
Violation Description	Failed to prevent unauthorized emissions. Specifically, 287 pounds of propylene were released into the atmosphere due to the failure to properly lineup the distribution valves during the tank car off-loading process. The emissions event occurred on June 9, 2008 and lasted one hour. Since the emissions event was avoidable by better operational practices, the Respondent failed to meet the demonstration for an affirmative defense in 30 Tex. Admin. Code § 101.222.															
	Base Penalty	<input type="text" value="\$10,000"/>														
>> Environmental, Property and Human Health Matrix																
OR	Harm															
	Release Major Moderate Minor															
	Actual <input type="text"/> <input type="text"/> <input checked="" type="text" value="x"/>	Percent <input type="text" value="25%"/>														
Potential <input type="text"/> <input type="text"/> <input type="text"/>																
>> Programmatic Matrix																
	Falsification Major Moderate Minor															
	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Percent <input type="text" value="0%"/>														
Matrix Notes	Human health or the environment in the Houston-Galveston-Brazoria non-attainment area 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 this violation.															
	Adjustment	<input type="text" value="\$7,500"/>														
		<input type="text" value="\$2,500"/>														
Violation Events																
	Number of Violation Events <input type="text" value="1"/>	<input type="text" value="1"/> Number of violation days														
<small>mark only one with an x</small>	<table border="1" style="border-collapse: collapse;"> <tr><td>daily</td><td><input type="text"/></td></tr> <tr><td>weekly</td><td><input type="text"/></td></tr> <tr><td>monthly</td><td><input type="text"/></td></tr> <tr><td>quarterly</td><td><input checked="" type="text" value="x"/></td></tr> <tr><td>semiannual</td><td><input type="text"/></td></tr> <tr><td>annual</td><td><input type="text"/></td></tr> <tr><td>single event</td><td><input type="text"/></td></tr> </table>	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"/>	Violation Base Penalty <input type="text" value="\$2,500"/>
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"/>															
	One quarterly event is recommended for the violation that occurred on June 9, 2008.															
Good Faith Efforts to Comply																
	<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"/>															
Ordinary	<input type="text"/>															
N/A	<input checked="" type="text" value="x"/> (mark with x)															
Notes	The Respondent does not meet the good faith criteria for this violation.															
	Violation Subtotal	<input type="text" value="\$2,500"/>														
Economic Benefit (EB) for this violation																
	Statutory Limit Test															
Estimated EB Amount <input type="text" value="\$99"/>	Violation Final Penalty Total	<input type="text" value="\$3,800"/>														
	This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$3,800"/>															

Economic Benefit Worksheet

Respondent Targa Midstream Services Limited Partnership
Case ID No. 37081
Reg. Ent. Reference No. RN100222900
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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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				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	9-Jun-2008	5-Oct-2009	1.32	\$99	n/a	\$99

Notes for DELAYED costs

Estimated cost to ensure that the distribution valves in the tank car are properly operated. The date required is the violation date. The final date is based on the date corrective actions are expected to 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

\$1,500

TOTAL

\$99

Compliance History Report

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 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			

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

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: January 27, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: January 27, 2004 to January 27, 2009

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

Name: Roshondra Lowe Phone: (713) 767-3553

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? 8/14/2008
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)
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)
23	01/16/2009	(707732)

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: Dynegey 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.

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

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BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2009-0130-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 liquid processing plant 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 January 21, 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 Three Thousand Eight Hundred Dollars (\$3,800) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations").

The Respondent has paid Three Thousand Forty Dollars (\$3,040) of the administrative penalty and Seven Hundred Sixty Dollars (\$760) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director 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 failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b) and Air Permit No. 5414, Special Condition No. 1, as documented during an investigation conducted on July 16, 2008. Specifically, 287 pounds of propylene were released into the atmosphere due to the failure to properly lineup the distribution valves during the tank car off-loading process. The emissions event occurred on June 9, 2008 and lasted one hour. Since the emissions event was avoidable by better operational practices, the Respondent failed to meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

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. 2009-0130-AIR-E" to:

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

2. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 30 days after the effective date of this Agreed Order, implement procedures designed to ensure that distribution valves are lined up during the tank car off-loading process; and
- b. Within 45 days after the effective date of this Agreed Order, submit written certification demonstrating compliance with Ordering Provision 2.a. The certification shall include detailed supporting documentation including receipts, monitoring records, training records, and/or other records to demonstrate compliance, and be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, 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

3. 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.
4. 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.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by 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.
6. 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.
7. 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.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John Sredler
For the Executive Director

Date 4/23/2009

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.

JK
[Signature] *CSL*
Signature

Date 3-23-09

HUNTER BATTLE
Name (Printed or typed)
Authorized Representative of
Targa Midstream Services Limited Partnership

Title VP

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.

