

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2009-1362-AIR-E **TCEQ ID:** RN100225481 **CASE NO.:** 38217

RESPONDENT NAME: Natural Gas Pipeline Company of America LLC

| | | |
|---|---|--|
| 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: Compressor Station 154, 8578 County Road 24, Pampa, Gray County</p> <p>TYPE OF OPERATION: Compressor station</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on February 1, 2010. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Trina Grieco, Enforcement Division, Enforcement Team 5, MC R-13, (210) 403-4006; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387 Respondent: Mr. Steve Marts, Senior Engineer, Natural Gas Pipeline Company of America LLC, 500 Dallas Street, Suite 1000, Houston, Texas 77002-4718 Mr. John E. Filiatrault, Director of Operations, Natural Gas Pipeline Company of America LLC, 500 Dallas Street, Suite 1000, Houston, Texas 77002-4718 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 1, 2009</p> <p>Date of NOV/NOE Relating to this Case: August 17, 2009 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failure to maintain sufficient information in records of blowdowns to demonstrate that they are appropriately categorized as routine maintenance, and are therefore authorized by Permit by Rule 30 TEX. ADMIN. CODE § 106.512 [30 TEX. ADMIN. CODE § 106.8(c)(2) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failure to report deviations. Specifically, for the semi-annual deviation reporting periods ending January 14, 2008, July 14, 2008, January 14, 2009, and July 14, 2009, deviations occurred but no reports were submitted [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and General Operating Permit No. O-00826, Oil and Gas General Operating Permit 514, General Terms and Conditions and Site-Wide Requirements (b)(2) and (b)(8)(B)(iv)(e)(2)].</p> | <p>Total Assessed: \$10,100</p> <p>Total Deferred: \$2,020 <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: \$8,080</p> <p>Site Compliance History Classification <input checked="" type="checkbox"/> High <input 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:</p> <p>i. Begin maintaining sufficient records to demonstrate that blowdowns are appropriately categorized as routine maintenance; and</p> <p>ii. Implement measures designed to ensure that all deviations are reported.</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a.</p> |

Additional ID No(s): GH0070B



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

| | | | | | | |
|-------|----------|-------------|-----------|-------------|---------|-----|
| DATES | Assigned | 17-Aug-2009 | Screening | 24-Aug-2009 | EPA Due | N/A |
| | PCW | 18-Nov-2009 | | | | |

RESPONDENT/FACILITY INFORMATION

| | | | |
|----------------------|---|--------------------|-------|
| Respondent | Natural Gas Pipeline Company of America LLC | | |
| Reg. Ent. Ref. No. | RN100225481 | | |
| Facility/Site Region | 1-Amarillo | Major/Minor Source | Major |

CASE INFORMATION

| | | | |
|---------------------------------|-----------------|-----------------------|--------------------|
| Enf./Case ID No. | 38217 | No. of Violations | 2 |
| Docket No. | 2009-1362-AIR-E | Order Type | 1660 |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Trina Grieco |
| | | 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** \$10,100

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 0.0% Enhancement **Subtotals 2, 3, & 7** \$0

Notes: No penalty adjustment due to Average Performer Classification.

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

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** \$0

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

Total EB Amounts \$72
Approx. Cost of Compliance \$1,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** \$10,100

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount \$10,100

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** \$10,100

DEFERRAL 20.0% Reduction **Adjustment** -\$2,020

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

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY \$8,080

Screening Date 24-Aug-2009

Docket No. 2009-1362-AIR-E

PCW

Respondent Natural Gas Pipeline Company of America LLC

Policy Revision 2 (September 2002)

Case ID No. 38217

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100225481

Media [Statute] Air

Enf. Coordinator Trina Grieco

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 NOV meeting criteria) | 0 | 0% |
| | Other written NOVs | 0 | 0% |
| 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 judgments or consent decrees meeting criteria) | 0 | 0% |
| | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | 0 | 0% |
| Convictions | Any criminal convictions of this state or the federal government (number of counts) | 0 | 0% |
| Emissions | Chronic excessive emissions events (number of events) | 0 | 0% |
| Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted) | 0 | 0% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed) | 0 | 0% |
| Please Enter Yes or No | | | |
| Other | Environmental management systems in place for one year or more | No | 0% |
| | Voluntary on-site compliance assessments conducted by the executive director under a special assistance program | No | 0% |
| | Participation in a voluntary pollution reduction program | No | 0% |
| | Early compliance with, or offer of a product that meets future state or federal government environmental requirements | No | 0% |

Adjustment Percentage (Subtotal 2)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

No penalty adjustment due to Average Performer Classification.

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

| | | | | |
|---|--|-----------------------------------|--------------------------------------|--|
| Screening Date 24-Aug-2009 | | Docket No. 2009-1362-AIR-E | | PCW |
| Respondent Natural Gas Pipeline Company of America LLC | | | | <i>Policy Revision 2 (September 2002)</i> |
| Case ID No. 38217 | | | | <i>PCW Revision October 30, 2008</i> |
| Reg. Ent. Reference No. RN100225481 | | | | |
| Media [Statute] Air | | | | |
| Enf. Coordinator Trina Grieco | | | | |
| Violation Number | 1 | | | |
| Rule Cite(s) | 30 Tex. Admin. Code § 106.8(c)(2) and Tex. Health & Safety Code § 382.085(b) | | | |
| Violation Description | Failed to maintain sufficient information in records of blowdowns to demonstrate that they are appropriately categorized as routine maintenance, and are therefore authorized by Permit by Rule 30 Tex. Admin. Code § 106.512. | | | |
| | | | Base Penalty | \$10,000 |
| >> Environmental, Property and Human Health Matrix | | | | |
| OR | Harm | | | |
| | Release | Major | Moderate | Minor |
| | Actual | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| | Potential | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| | | | | Percent <input type="text" value="0%"/> |
| >> Programmatic Matrix | | | | |
| | Falsification | Major | Moderate | Minor |
| | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input checked="" type="checkbox"/> |
| | | | | Percent <input type="text" value="1%"/> |
| Matrix Notes | The Respondent failed to comply with less than 30% of the rule requirements. | | | |
| | | | Adjustment | \$9,900 |
| | | | | \$100 |
| Violation Events | | | | |
| Number of Violation Events | | <input type="text" value="1"/> | <input type="text" value="54"/> | Number of violation days |
| <i>mark only one with an x</i> | daily | <input type="text"/> | <input type="text"/> | Violation Base Penalty <input type="text" value="\$100"/> |
| | weekly | <input type="text"/> | <input type="text"/> | |
| | monthly | <input type="text"/> | <input type="text"/> | |
| | quarterly | <input type="text"/> | <input type="text"/> | |
| | semiannual | <input type="text"/> | <input type="text"/> | |
| | annual | <input type="text"/> | <input type="text"/> | |
| single event | <input checked="" type="checkbox"/> | <input type="text"/> | | |
| One single event is recommended for the records with missing information. | | | | |
| Good Faith Efforts to Comply | | 0.0% Reduction | | \$0 |
| | | Before NOV | NOV to EOPRP/Settlement Offer | |
| Extraordinary | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Ordinary | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| N/A | <input checked="" type="checkbox"/> | <input type="text"/> | <input type="text"/> | |
| Notes | The Respondent does not meet the good faith criteria for this violation. | | | |
| | | | Violation Subtotal | \$100 |
| Economic Benefit (EB) for this violation | | Statutory Limit Test | | |
| Estimated EB Amount | | <input type="text" value="\$19"/> | Violation Final Penalty Total | <input type="text" value="\$100"/> |
| This violation Final Assessed Penalty (adjusted for limits) | | | <input type="text" value="\$100"/> | |

Economic Benefit Worksheet

Respondent Natural Gas Pipeline Company of America LLC
Case ID No. 38217
Reg. Ent. Reference No. RN100225481
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 |
|------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|

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 | \$500 | 1-Jul-2009 | 1-Apr-2010 | 0.75 | \$19 | n/a | \$19 |
| 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) | | | | 0.00 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to maintain sufficient records to demonstrate that blowdowns are appropriately categorized as routine maintenance. The date required is the investigation date during which records were not available, and the final date is the date corrective actions are projected 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 \$500

TOTAL \$19

| | | | | | | | | | | | | | | | | | | | | | | |
|--|---|-------|--|--------------------|--------|--|--|---------|--|--|-----------|--|--|------------|--|--|--------|--|--|--------------|---|--|
| Screening Date 24-Aug-2009 | Docket No. 2009-1382-AIR-E | | | | | | | | | | | | | | | | | | | | | |
| Respondent Natural Gas Pipeline Company of America LLC | <small>PCW Policy Revision 2 (September 2002) PCW Revision October 30, 2008</small> | | | | | | | | | | | | | | | | | | | | | |
| Case ID No. 38217 | | | | | | | | | | | | | | | | | | | | | | |
| Reg. Ent. Reference No. RN100225481 | | | | | | | | | | | | | | | | | | | | | | |
| Media [Statute] Air | | | | | | | | | | | | | | | | | | | | | | |
| Enf. Coordinator Trina Grieco | | | | | | | | | | | | | | | | | | | | | | |
| Violation Number 2 | | | | | | | | | | | | | | | | | | | | | | |
| Rule Cite(s) | 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2), Tex. Health & Safety Code § 382.085(b), and General Operating Permit No. O-00826, Oil and Gas General Operating Permit 514, General Terms and Conditions and Site-Wide Requirements (b)(2) and (b)(8)(B)(iv)(e)(2) | | | | | | | | | | | | | | | | | | | | | |
| Violation Description | Failed to report deviations. Specifically, for the semi-annual deviation reporting periods ending January 14, 2008, July 14, 2008, January 14, 2009, and July 14, 2009, deviations occurred but no reports were submitted. | | | | | | | | | | | | | | | | | | | | | |
| Base Penalty | \$10,000 | | | | | | | | | | | | | | | | | | | | | |
| >> Environmental, Property and Human Health Matrix | | | | | | | | | | | | | | | | | | | | | | |
| OR | | | | | | | | | | | | | | | | | | | | | | |
| Release | Harm | | | | | | | | | | | | | | | | | | | | | |
| | Major Moderate Minor | | | | | | | | | | | | | | | | | | | | | |
| Actual | <table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table> | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| Potential | <table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table> | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| | Percent 0% | | | | | | | | | | | | | | | | | | | | | |
| >> Programmatic Matrix | | | | | | | | | | | | | | | | | | | | | | |
| Falsification | Major Moderate Minor | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%; text-align: center;">x</td><td style="width:33%;"></td></tr></table> | | x | | Percent 25% | | | | | | | | | | | | | | | | | | |
| | x | | | | | | | | | | | | | | | | | | | | | |
| Matrix Notes | The Respondent failed to comply with 100% of the rule requirements. | | | | | | | | | | | | | | | | | | | | | |
| Adjustment | \$7,500 | | | | | | | | | | | | | | | | | | | | | |
| | \$2,500 | | | | | | | | | | | | | | | | | | | | | |
| Violation Events | | | | | | | | | | | | | | | | | | | | | | |
| Number of Violation Events | 4 | | | | | | | | | | | | | | | | | | | | | |
| | 557 Number of violation days | | | | | | | | | | | | | | | | | | | | | |
| mark only one with an x | <table border="1" style="width:100%;"><tr><td style="width:33%;">daily</td><td style="width:33%;"></td><td style="width:33%;"></td></tr><tr><td>weekly</td><td></td><td></td></tr><tr><td>monthly</td><td></td><td></td></tr><tr><td>quarterly</td><td></td><td></td></tr><tr><td>semiannual</td><td></td><td></td></tr><tr><td>annual</td><td></td><td></td></tr><tr><td>single event</td><td style="text-align: center;">x</td><td></td></tr></table> | daily | | | weekly | | | monthly | | | quarterly | | | semiannual | | | annual | | | single event | x | |
| daily | | | | | | | | | | | | | | | | | | | | | | |
| weekly | | | | | | | | | | | | | | | | | | | | | | |
| monthly | | | | | | | | | | | | | | | | | | | | | | |
| quarterly | | | | | | | | | | | | | | | | | | | | | | |
| semiannual | | | | | | | | | | | | | | | | | | | | | | |
| annual | | | | | | | | | | | | | | | | | | | | | | |
| single event | x | | | | | | | | | | | | | | | | | | | | | |
| | Violation Base Penalty \$10,000 | | | | | | | | | | | | | | | | | | | | | |
| Four single events are recommended for the four reports that were not submitted. | | | | | | | | | | | | | | | | | | | | | | |
| Good Faith Efforts to Comply | 0.0% Reduction | | | | | | | | | | | | | | | | | | | | | |
| | \$0 | | | | | | | | | | | | | | | | | | | | | |
| | Before NOV NOV to EDRP/Settlement Offer | | | | | | | | | | | | | | | | | | | | | |
| Extraordinary | <table border="1" style="width:100%;"><tr><td style="width:50%;"></td><td style="width:50%;"></td></tr></table> | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| Ordinary | <table border="1" style="width:100%;"><tr><td style="width:50%;"></td><td style="width:50%;"></td></tr></table> | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| N/A | x (mark with x) | | | | | | | | | | | | | | | | | | | | | |
| Notes | The Respondent does not meet the good faith criteria for this violation. | | | | | | | | | | | | | | | | | | | | | |
| Violation Subtotal | \$10,000 | | | | | | | | | | | | | | | | | | | | | |
| Economic Benefit (EB) for this violation | | | | | | | | | | | | | | | | | | | | | | |
| Estimated EB Amount | \$53 | | | | | | | | | | | | | | | | | | | | | |
| Statutory Limit Test | | | | | | | | | | | | | | | | | | | | | | |
| Violation Final Penalty Total | \$10,000 | | | | | | | | | | | | | | | | | | | | | |
| This violation Final Assessed Penalty (adjusted for limits) \$10,000 | | | | | | | | | | | | | | | | | | | | | | |

Economic Benefit Worksheet

Respondent Natural Gas Pipeline Company of America LLC
Case ID No. 38217
Reg. Ent. Reference No. RN100225481
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 |
|--------------------------|-----------|---------------|------------|------|----------------|---------------|-----------|
| 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 | \$500 | 14-Feb-2008 | 1-Apr-2010 | 2.13 | \$53 | n/a | \$53 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | n/a | \$0 |

Notes for DELAYED costs

Estimated cost to implement measures designed to ensure that deviations are reported as required (\$500). The date required is the date the first report was due and the final date is the date corrective actions are projected 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

\$500

TOTAL

\$53

Compliance History Report

Customer/Respondent/Owner-Operator: CN600124200 Natural Gas Pipeline Company of America LLC Classification: AVERAGE Rating: 2.51
Regulated Entity: RN100225481 COMPRESSOR STATION 154 Classification: HIGH Site Rating: 0.00

ID Number(s): AIR OPERATING PERMITS ACCOUNT NUMBER GH0070B
AIR OPERATING PERMITS PERMIT 826
AIR NEW SOURCE PERMITS PERMIT 48100
AIR NEW SOURCE PERMITS ACCOUNT NUMBER GH0070B
AIR NEW SOURCE PERMITS AFS NUM 4817900039
Location: 857B COUNTY ROAD 24, PAMPA, TX, 79065

TCEQ Region: REGION 01 - AMARILLO

Date Compliance History Prepared: August 17, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 17, 2004 to August 17, 2009

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

Name: Trina Grieco Phone: (210) 403-4006

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/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s) ? N/A
5. When did the change(s) in owner or operator occur? N/A
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.
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 | 06/06/2005 | (394574) |
| 2 | 07/20/2006 | (487461) |
| 3 | 07/23/2007 | (568543) |
| 4 | 03/06/2008 | (637602) |
| 5 | 08/14/2009 | (763583) |
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)
N/A
- 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
NATURAL GAS PIPELINE
COMPANY OF AMERICA LLC
RN100225481

§
§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2009-1362-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 Natural Gas Pipeline Company of America LLC ("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 compressor station at 8578 County Road 24 in Gray 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 August 22, 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 Ten Thousand One Hundred Dollars (\$10,100) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations").

The Respondent has paid Eight Thousand Eighty Dollars (\$8,080) of the administrative penalty and Two Thousand Twenty Dollars (\$2,020) 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:

1. Failed to maintain sufficient information in records of blowdowns to demonstrate that they are appropriately categorized as routine maintenance, and are therefore authorized by Permit by Rule 30 TEX. ADMIN. CODE § 106.512, in violation of 30 TEX. ADMIN. CODE § 106.8(c)(2) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 1, 2009.
2. Failed to report deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2), TEX. HEALTH & SAFETY CODE § 382.085(b), and General Operating Permit No. O-00826, Oil and Gas General Operating Permit 514, General Terms and Conditions and Site-Wide Requirements (b)(2) and (b)(8)(B)(iv)(e)(2), as documented during an investigation conducted on July 1, 2009. Specifically, for the semi-annual deviation reporting periods ending January 14, 2008, July 14, 2008, January 14, 2009, and July 14, 2009, deviations occurred but no reports were submitted.

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: Natural Gas Pipeline Company of America LLC, Docket No. 2009-1362-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:
 - i. Begin maintaining sufficient records to demonstrate that blowdowns are appropriately categorized as routine maintenance; and
 - ii. Implement measures designed to ensure that all deviations are reported, in accordance with 30 TEX. ADMIN. CODE § 122.145.
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. 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 fines 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:

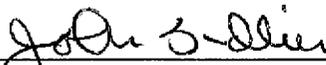
Air Section, Manager
Amarillo Regional Office
Texas Commission on Environmental Quality
3918 Canyon Drive
Amarillo, Texas 79109-4933

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


For the Executive Director

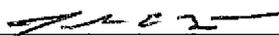
1/19/2010
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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


Signature

11/24/09
Date

JOHN E. FILIATRAULT
Name (Printed or typed)
Authorized Representative of
Natural Gas Pipeline Company of America LLC

DIRECTOR, OPERATIONS
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.

