

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 4
DOCKET NO.: 2009-1265-AIR-E **TCEQ ID:** RN102558939 **CASE NO.:** 38115
RESPONDENT NAME: Prism Gas Systems I, L.P.

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: Waskom Gas Processing Plant, 155 Private Road 1133, Waskom, Harrison County</p> <p>TYPE OF OPERATION: Natural gas processing plant</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 March 1, 2010. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: Mr. Phillip Hampsten, SEP Coordinator, Enforcement Division, MC 219, (512) 239-6732 TCEQ Enforcement Coordinator: Ms. Suzanne Walrath, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-2134; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495 Respondent: Ms. Julie Lang, Environmental Compliance Manager, Prism Gas Systems I, L.P., 2350 Airport Freeway, Suite 505, Bedford, Texas 76022 Mr. Robert E. Dunn, Senior Vice President, Prism Gas Systems I, L.P., 2350 Airport Freeway, Suite 505, Bedford, Texas 76022 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: June 16, 2009</p> <p>Date of NOV/NOE Relating to this Case: July 28, 2009 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>AIR</p> <p>1) Failure to maintain records of quarterly visible emissions observations of stationary vents. Specifically, no records to demonstrate that the observations had been conducted were available during the investigation [30 TEX. ADMIN. CODE § 122.143(4), Federal Operating Permit ("FOP") No. O-00815, General Operating Permit ("GOP") No. 514, Site-wide requirements (b)(8)(A)(iv)(c) and (b)(8)(B)(iv)(c), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>2) Failure to adhere to the permitted allowable emission limit for carbon monoxide ("CO"). Specifically, the permitted allowable limit is 1.91 pounds per hour ("lbs/hr") and 8.38 tons per year ("TPY"), and test report data showed the actual rate to be 2.05 lbs/hr and 9.0 TPY for emission point number ("EPN") TCM-101A and EPN TCM-101B and 2.16 lbs/hr and 9.46 TPY for EPN TCM-101C [30 TEX. ADMIN. CODE §§ 116.615(2) and 122.143(4), Standard Permit No. 32829, FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>3) Failure to obtain air permit authorization prior to construction (extension of the demethanizer column and the addition of another tray) [30 TEX. ADMIN. CODE §§ 116.110(a) and 122.143(4), FOP No. O-</p>	<p>Total Assessed: \$58,197</p> <p>Total Deferred: \$11,639 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$23,279</p> <p>Total Paid to General Revenue: \$23,279</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>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. Began monthly monitoring for all pumps on September 8, 2008;</p> <p>b. Capped the two open-ended lines with steel plugs on June 17, 2009, and conducted, and will continue to conduct ongoing training for Plant personnel regarding this requirement;</p> <p>c. Created an inspection log on June 19, 2009;</p> <p>d. Began quarterly monitoring for all compressors on July 20, 2009;</p> <p>e. Re-monitored the seven pumps and 45 valves on July 20, 2009, to ensure the leak rate was below 2,000 ppmv and 500 ppmv; and</p> <p>f. Began yearly flange monitoring on July 21, 2009.</p> <p>Ordering Provisions:</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 15 days after the effective date of this Agreed Order, submit an administratively complete air permit amendment application to include increased CO emissions for EPN Nos. TCM-101A, TCM-101B, and TCM-101C, and for the modification of the demethanizer column;</p> <p>b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment application within 30 days after the date of such requests, or by any other deadline specified in writing; and</p>

00815, GOP No. 514, Site-wide requirements (b)(7)(A), and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b)].

4) Failure to repair seven leaking pumps (component numbers 18283, 18304, 18978, 20007, 21632, 10160, and 10584) within 15 days of discovering the leaks, and failed to repair 45 valves within 15 days of discovering the leaks. Specifically, from June 6, 2008 until June 16, 2009, seven pumps were found leaking above 2,000 parts per million by volume ("ppmv") and 45 valves were found leaking above 500 ppmv and were not repaired within 15 days of discovering the leaks. The pumps were leaking at a range between 2,004 ppmv and 8,981 ppmv and the 45 valves were leaking at a range between 507 ppmv and 9,988 ppmv [30 TEX. ADMIN. CODE §§ 116.620(c)(2)(B) and 122.143(4), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(F)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

5) Failure to perform monthly monitoring on eight pumps. Specifically, seven pumps (component numbers 13186, 18283, 18304, 18978, 20007, 21632, 10160, and 10584) were not monitored each month from January 2008 through May 2008, and one pump (component number 22429) was not monitored from January 2008 through August 2008 [30 TEX. ADMIN. CODE §§ 101.20(1), 116.620(c)(2)(I), 122.143(4), 40 CODE OF FEDERAL REGULATIONS ("CFR") §§ 60.482-2(a)(1) and 60.632(a), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(F)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

6) Failure to conduct quarterly monitoring on eight compressors. Specifically, during the time period from January 1, 2008 through June 16, 2009, no compressors in the Plant were monitored [30 TEX. ADMIN. CODE §§ 116.620(c)(2)(I) and 122.143(4), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(F)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

7) Failure to conduct annual monitoring on 18 components (flanges) in the closed vent system in Plants 1 and 2. Specifically, it was documented that from January 1, 2008 through June 16, 2009, Plant 1 had one flange in the closed vent system that was not monitored, and Plant 2 had 17 flanges in the closed vent system that were not monitored [30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), 40 CFR §§

c. Within 270 days after the effective date of this Agreed Order, submit written certification that either an air permit amendment has been obtained or that operation has ceased until such time that appropriate authorization is obtained. The certification shall include detailed supporting documentation including receipts and/or other records to demonstrate compliance and be notarized by a State of Texas Notary Public.

<p>60.482-10(f)(2)(ii) and 60.632(a), FOP No. O-00815, GOP No. 514, Permit Tables (c)(11), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>8) Failure to equip two open-ended lines with a cap, blind flange, plug, or second valve. Specifically, it was documented on the date of the investigation that Tag Nos. 0027 and 1522 were open-ended and needed to be closed with the proper equipment [30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), 40 CFR §§ 60.482-6(a)(1) and 60.632(a), FOP No. O-00815, GOP No. 514, Permit Tables (c)(11), and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>		
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Additional ID No(s): HH0005S

Attachment A
Docket Number: 2009-1265-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Prism Gas Systems I, L.P.
Penalty Amount:	Forty-Six Thousand Five Hundred Fifty-Eight Dollars (\$46,558)
SEP Offset Amount:	Twenty-Three Thousand Two Hundred Seventy-Nine Dollars (\$23,279)
Type of SEP:	Pre-approved
Third-Party Recipient:	Texas PTA – <i>Texas PTA Clean School Buses</i>
Location of SEP:	Texas Air Quality Control Region 022 – Shreveport- Texarkana-Tyler

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 Offset 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 shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to **Texas PTA** for the *Texas PTA Clean School Bus Program* as set forth in an agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to reimburse local school districts for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fueled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

The Respondent certifies that it has no prior commitment to make this contribution and that it is being done solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions from buses by more than 90% below today's level and by reducing hydrocarbons.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset 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 Offset Amount to the Third-Party Recipient. The Respondent shall mail a copy of the Agreed Order with the contribution to:

Ms. Kryss O'Shaughnessy, Director of Finance
Texas PTA
408 W. 11th Street
Austin, Texas 78701

3. Records and Reporting

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

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset 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 Offset Amount.

In the event of incomplete performance, the Respondent shall include on the check the docket number of this Agreed Order and a note that it is for reimbursement of a SEP. The Respondent shall make the payment for the amount due to "Texas Commission on Environmental Quality" and mail it to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

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 a 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 October 30, 2008

DATES	Assigned	3-Aug-2009	Screening	7-Aug-2009	EPA Due	24-Apr-2010
	PCW	7-Oct-2009				

RESPONDENT/FACILITY INFORMATION	
Respondent	Prism Gas Systems I, L.P.
Reg. Ent. Ref. No.	RN102558939
Facility/Site Region	5-Tyler
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	38115	No. of Violations	8
Docket No.	2009-1265-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Suzanne Walrath
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* **\$55,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 25.0% Enhancement *Subtotals 2, 3, & 7* **\$13,750**

Notes: The Respondent has received one Notice of Violation with same or similar violations, and has received one Agreed Order containing a denial of liability.

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* **\$10,625**

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

Total EB Amounts \$490
Approx. Cost of Compliance \$10,853
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 *Final Subtotal* **\$58,125**

OTHER FACTORS AS JUSTICE MAY REQUIRE 0.1% *Adjustment* **\$72**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: An upward adjustment is recommended for avoided monitoring costs for Violation Nos. 6 through 7.

Final Penalty Amount **\$58,197**

STATUTORY LIMIT ADJUSTMENT *Final Assessed Penalty* **\$58,197**

DEFERRAL 20.0% Reduction *Adjustment* **-\$11,639**

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **\$46,558**

Screening Date 7-Aug-2009

Docket No. 2009-1265-AIR-E

PCW

Respondent Prism Gas Systems I, L.P.

Policy Revision 2 (September 2002)

Case ID No. 38115

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

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's meeting criteria)	1	5%
	Other written NOV's	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 25%

>> 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

The Respondent has received one Notice of Violation with same or similar violations, and has received one Agreed Order containing a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 25%

Screening Date 7-Aug-2009

Docket No. 2009-1265-AIR-E

PCW

Respondent Prism Gas Systems I, L.P.

Policy Revision 2 (September 2002)

Case ID No. 38115

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Violation Number

Rule Cite(s) 30 Tex. Admin. Code § 122.143(4), Federal Operating Permit ("FOP") No. O-00815, General Operating Permit ("GOP") No. 514, Site-wide requirements (b)(8)(A)(iv)(c) and (b)(8)(B)(iv)(c), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain records of quarterly visible emissions observations of stationary vents. Specifically, no records to demonstrate that the observations had been conducted were available during the investigation.

Base Penalty

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text" value="25%"/>

Matrix Notes

100% of the rule requirement was not met.

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="checkbox"/>

Violation Base Penalty

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

	Before NOV	NOV to EDRP/ Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input checked="" type="checkbox"/>	<input type="text"/>
N/A	<input type="text"/>	(mark with x)

Notes The Respondent has achieved compliance for this violation on June 19, 2009, and the Notice of Enforcement was issued July 28, 2009.

Violation Subtotal

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Prism Gas Systems I, L.P.
 Case ID No. 38115
 Reg. Ent. Reference No. RN102558939
 Media Air
 Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Item Description No commas or \$.

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$1,500	16-Jun-2009	19-Jun-2009	0.01	\$1	n/a	\$1
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 This is the estimated cost to create an inspection log, and improve the recordkeeping system for observations of stationary vents. The date required is the investigation date, and the final date is the date of compliance.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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 \$1

Screening Date 7-Aug-2009

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PCW

Respondent Prism Gas Systems I, L.P.

Policy Revision 1 (September 2002)

Case ID No. 38115

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Violation Number

2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.615(2) and 122.143(4), Standard Permit No. 32829, FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(E)(ii), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to adhere to the permitted allowable emission limit for carbon monoxide ("CO"). Specifically, the permitted allowable limit is 1.91 pounds per hour ("lbs/hr") and 8.38 tons per year ("TPY"), and test report data showed the actual rate to be 2.05 lbs/hr and 9.0 TPY for emission point number ("EPN") TCM-101A and EPN TCM-101B and 2.16 lbs/hr and 9.46 TPY for EPN TCM-101C.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 3

156 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$7,500

Three quarterly events are recommended for the three EPNs that are in exceedance, beginning on the date of the investigation (June 16, 2009) and ending on the case screening date (August 7, 2009).

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV		NOV to EDRP/Settlement Offer
	Extraordinary		
Ordinary			
N/A	x		(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$7,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$286

Violation Final Penalty Total \$9,387

This violation Final Assessed Penalty (adjusted for limits) \$9,387

Economic Benefit Worksheet

Respondent Prism Gas Systems I, L.P.
Case ID No. 38115
Reg. Ent. Reference No. RN102558939
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
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	\$6,735	16-Jun-2009	22-Apr-2010	0.85	\$286	n/a	\$286
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
 These are actual costs for stack testing to ensure that the Plant can comply with allowable emission limits for CO emissions for EPNs TCM-101A, TCM-101B, and TCM-101C. The date required is the date of the investigation. The final date is the projected compliance date.

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 \$6,735 **TOTAL:** \$286

Screening Date 7-Aug-2009

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PCW

Respondent Prism Gas Systems I, L.P.

Policy Revision 2 (September 2007)

Case ID No. 38115

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Suzanne Walkath

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.110(a) and 122.143(4), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(A), and Tex. Health & Safety Code §§ 382.0518(a) and 382.085(b)

Violation Description Failed to obtain air permit authorization prior to construction (extension of the demethanizer column and the addition of another tray).

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
	x			25%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2 Number of violation days 52

mark only one with an x

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$5,000

Two monthly events are recommended beginning on the date of the investigation (June 16, 2009) and ending on the case screening date (August 7, 2009).

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDRP/Settlement Offer
	Extraordinary	
Ordinary		
N/A	x	(mark with x)

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$5,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$130

Violation Final Penalty Total \$5,258

This violation Final Assessed Penalty (adjusted for limits) \$6,258

Economic Benefit Worksheet

Respondent Prism Gas Systems I, L.P.
 Case ID No. 38115
 Reg. Ent. Reference No. RN102558939
 Media Air
 Violation No. 3

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	\$2,500	16-Jun-2009	1-Jul-2010	1.04	\$130	n/a	\$130
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

These are estimated costs to obtain an air permit. The date required is the date of the investigation. The final date is the projected compliance date.

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

\$2,500

TOTAL

\$130

Screening Date 7-Aug-2009

Docket No. 2009-1265-AIR-E

PCW

Respondent Prism Gas Systems I, L.P.

Policy Revision 2 (September 2002)

Case ID No. 38115

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code §§ 116.620(c)(2)(B) and 122.143(4), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(F)(ii), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to repair seven leaking pumps (component numbers 18283, 18304, 18978, 20007, 21632, 10160, and 10584) within 15 days of discovering the leaks, and failed to repair 45 valves within 15 days of discovering the leaks. Specifically, from June 6, 2008 until June 16, 2009, seven pumps were found leaking above 2,000 parts per million by volume ("ppmv") and 45 valves were found leaking above 500 ppmv and were not repaired within 15 days of discovering the leaks. The pumps were leaking at a range between 2,004 ppmv and 8,981 ppmv and the 45 valves were leaking at a range between 507 ppmv and 9,988 ppmv.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors. The estimated amount of volatile organic compound ("VOC") fugitive emissions from this violation is 1,359.31 pounds ("lbs") of VOCs from the pumps and valves combined.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 5

393 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$12,500

Five quarterly events are recommended for the time period from when the first valve should have been repaired (June 22, 2008), until the date compliance was achieved (July 20, 2009).

Good Faith Efforts to Comply

25.0% Reduction

\$3,125

	Before NOV	NOV to EDRPP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent has achieved compliance for this violation on July 20, 2009, and the Notice of Enforcement was issued July 28, 2009.

Violation Subtotal \$9,375

Economic Benefit (EB) for this violation

Estimated EB Amount \$2

Statutory Limit Test

Violation Final Penalty Total \$12,515

This violation Final Assessed Penalty (adjusted for limits) \$12,515

Economic Benefit Worksheet

Respondent Prism Gas Systems I, L.P.
Case ID No. 38115
Reg. Ent. Reference No. RN102558939
Media Air
Violation No. 4

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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)	\$32	22-Jul-2008	20-Jul-2009	0.99	\$2	n/a	\$2

Notes for DELAYED costs

This is an estimated cost for the re-monitoring of the valves and pumps and to achieve the leak rate below the 500 ppmv and 2000 ppmv respectively. The date required is the day after the first 15 day time period that the first valve should have been repaired by. The final date is the date compliance was achieved.

Avoided Costs

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

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

\$32

TOTAL

\$2

Screening Date 7-Aug-2009

Docket No. 2009-1265-AIR-E

PCW

Respondent Prism Gas Systems I, L.P.

Policy Revision 2 (September 2002)

Case ID No. 38115

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code § 101.20(1), 116.620(c)(2)(I), 122.143(4), 40 Code of Federal Regulations ("CFR") §§ 60.482-2(a)(1) and 60.632(a), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(F)(ii), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to perform monthly monitoring on eight pumps. Specifically, seven pumps (component numbers 10507, 10539, 12753, 13186, 13208, 14108, and 14143) were not monitored each month from January 2008 through May 2008, and one pump (component number 22429) was not monitored from January 2008 through August 2008.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			x	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors. The estimated amount of fugitive VOC emissions from this violation is 90.02 lbs.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 3 Number of violation days 221

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	x
	semiannual	
	annual	
single event		

Violation Base Penalty \$7,500

Three quarterly events are recommended beginning on the date the first pump should have been monitored by (January 31, 2008) and ending on the date the monitoring was completed (September 8, 2008).

Good-Faith Efforts to Comply

25.0% Reduction

\$1,875

	Before NOV	NOV to EDP/PPY/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent has achieved compliance for this violation on September 8, 2008, and the Notice of Enforcement was issued July 28, 2009.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$28

Violation Final Penalty Total \$7,509

This violation Final Assessed Penalty (adjusted for limits) \$7,509

Economic Benefit Worksheet

Respondent Prism Gas Systems I, L.P.
 Case ID No. 38115
 Reg. Ent. Reference No. RN102558939
 Media Air
 Violation No. 5

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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

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)	\$26	31-Jan-2008	8-Sep-2008	1.52	\$2	\$26	\$28

Notes for AVOIDED costs

This is an estimated cost for monthly monitoring of eight pumps. The date required is the first date that monitoring should have been done by. The final date is the last date that monitoring started again for the last pump.

Approx. Cost of Compliance \$28

TOTAL \$28

Screening Date 7-Aug-2009

Docket No. 2009-1265-AIR-E

PCW

Respondent Prism Gas Systems I, L.P.

Policy Revision 2 (September 2002)

Case ID No. 38115

PCW Revision: October 30, 2008

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code §§ 116.620(c)(2)(I) and 122.143(4), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(F)(ii), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to conduct quarterly monitoring on eight compressors. Specifically, during the time period from January 1, 2008 through June 16, 2009, no compressors in the Plant were monitored.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors. The estimated amount of fugitive VOC emissions from this violation is 1,981.59 lbs.

Adjustment \$7,500

\$2,500

Violation Events

6

476 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$15,000

Six quarterly events are recommended beginning on the date the first quarterly monitoring should have been completed by (March 31, 2008), and ending on the date the monitoring was completed (July 20, 2009).

Good Faith Efforts to Comply

25.0% Reduction

\$3,750

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes

The Respondent has achieved compliance for this violation on July 20, 2009, and the Notice of Enforcement was issued July 28, 2009.

Violation Subtotal \$11,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$32

Violation Final Penalty Total \$15,019

This violation Final Assessed Penalty (adjusted for limits) \$15,019

Economic Benefit Worksheet

Respondent Prism Gas Systems I, L.P.
 Case ID No. 38115
 Reg. Ent. Reference No. RN102558939
 Media Air
 Violation No. 8

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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

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)	\$29	31-Mar-2008	20-Jul-2009	2.22	\$3	\$29	\$32

Notes for AVOIDED costs

This is an estimated cost for monitoring the eight compressors. The date required is the date of the end of the first quarterly period when monitoring should have been done. The final date is the compliance date.

Approx. Cost of Compliance \$29

TOTAL: \$32

Screening Date 7-Aug-2009

Docket No. 2009-1265-AIR-E

PCW

Respondent Prism Gas Systems I, L.P.

Policy Revision 7 (September 2002)

Case ID No. 38115

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Violation Number 7

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1) and 122.143(4), 40 CFR §§ 60.482-10(f)(2)(ii) and 60.632(a), FOP No. O-08015, GOP No. 514, Permit Tables (c)(11), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to conduct annual monitoring on 18 components (flanges) in the closed vent system in Plants 1 and 2. Specifically, it was documented that from January 1, 2008 through June 16, 2009, Plant 1 had one flange in the closed vent system that was not monitored, and Plant 2 had 17 flanges in the closed vent system that were not monitored.

Base Penalty \$10,000

>> Environmental Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	25%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors. The estimated amount of fugitive VOC emissions from this violation is 197.85 lbs.

Adjustment \$7,500

\$2,500

Violation Events

1 202 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	X
single event	

Violation Base Penalty \$2,500

One annual event is recommended for calendar year 2008 for not conducting annual monitoring.

Good Faith Efforts to Comply

	25.0%	Reduction	\$625
	Before NOV	NOV to EDP/PP/Settlement Offer	
Extraordinary			
Ordinary	X		
N/A		(mark with x)	
Notes	The Respondent has achieved compliance for this violation on July 21, 2009, and the Notice of Enforcement was issued July 28, 2009.		

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$12

Violation Final Penalty Total \$2,503

This violation Final Assessed Penalty (adjusted for limits) \$2,503

Economic Benefit Worksheet

Respondent Prism Gas Systems I, L.P.
 Case ID No. 38115
 Reg. Ent. Reference No. RN102558939
 Media Air
 Violation No. 7

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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

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)	\$11	31-Dec-2008	21-Jul-2009	1.47	\$1	\$11	\$12

Notes for AVOIDED costs

This is an estimated cost for the yearly monitoring of 18 components. The date required is the last day of calendar year 2008. The final date is the compliance date.

Approx. Cost of Compliance \$11

TOTAL \$12

Screening Date 7-Aug-2009

Docket No. 2009-1265-AIR-E

PCW

Respondent Prism Gas Systems I. L.P.

Policy Revision 2 (September 2002)

Case ID No. 38115

PCW Revision October 30, 2006

Reg. Ent. Reference No. RN102558939

Media [Statute] Air

Enf. Coordinator Suzanne Walralh

Violation Number 8

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(1) and 122.143(4), 40 CFR §§ 60.482-6(a)(1) and 60.632(a), FOP No. O-00815, GOP No. 514, Permit Tables (c)(11), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to equip two open-ended lines with a cap, blind flange, plug, or second valve. Specifically, it was documented on the date of the investigation that Tag Nos. 0027 and 1522 were open-ended and needed to be closed with the proper equipment.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			x	25%
Potential				

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
				0%

Matrix Notes Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors. The estimated amount of fugitive VOC emissions from this violation is 0.21 lb.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$2,500

One quarterly event is recommended based on the date of the investigation.

Good Faith Efforts to Comply

25.0% Reduction

\$625

	Before NOV	NOV to EDPR/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent has achieved compliance for this violation on June 17, 2009, and the Notice of Enforcement was issued July 28, 2009.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$2,503

This violation Final Assessed Penalty (adjusted for limits) \$2,503

Economic Benefit Worksheet

Respondent Prism Gas Systems I, L.P.
 Case ID No. 38115
 Reg. Ent. Reference No. RN102558939
 Media Air
 Violation No. 8

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost <small>No commas or \$</small>	Date Required	Final Date	Yrs	Interest Saved	Overtime Costs	EB Amount
Delayed Costs							
Equipment	\$20	18-Jun-2009	17-Jun-2009	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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs: This is the estimated cost to close two open ended lines. The date required is the date of the investigation. The final date is the compliance date.

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	\$20	TOTAL	\$0
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Compliance History Report

Customer/Respondent/Owner-Operator: CN602757411 Prism Gas Systems I, L.P Classification: AVERAGE Rating: 3.23
Regulated Entity: RN102558939 WASKOM GAS PROCESSING PLANT Classification: AVERAGE Site Rating: 7.38

ID Number(s):	AIR NEW SOURCE PERMITS	PERMIT	15145
	AIR NEW SOURCE PERMITS	PERMIT	32829
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HH0005S
	AIR NEW SOURCE PERMITS	AFS NUM	4820300005
	AIR OPERATING PERMITS	ACCOUNT NUMBER	HH0005S
	AIR OPERATING PERMITS	PERMIT	815

Location: 155 PRIVATE ROAD 1133, WASKOM, TX, 75692

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: August 07, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 07, 2004 to August 07, 2009

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

Name: Suzanne Walrath Phone: 239 - 2134

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? Yes
3. If Yes, who is the current owner/operator? Waskom Gas Processing Company
4. If Yes, who was/were the prior owner(s)/operator(s)? Prism Gas Systems, Inc.
5. When did the change(s) in owner or operator occur? 01/01/2005
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: 07/21/2008

ADMINORDER 2008-0058-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(e)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to meet the minimum reporting requirements for four excess opacity events.

Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 32829 PERMIT

Description: Failure to prevent unauthorized emissions during five excess opacity events.

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

N/A

- C. Chronic excessive emissions events.

N/A

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

- 1 08/24/2004 (291941)
- 2 02/28/2005 (349564)
- 3 08/05/2005 (403509)
- 4 10/10/2005 (433379)
- 5 05/09/2006 (464872)
- 6 02/12/2007 (539095)
- 7 05/09/2007 (558014)
- 8 05/29/2007 (562166)
- 9 08/01/2007 (568528)
- 10 08/31/2007 (574321)
- 11 11/09/2007 (600304)
- 12 05/08/2008 (657320)
- 13 11/10/2008 (706080)
- 14 11/10/2008 (706119)
- 15 07/28/2009 (760229)

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

Date: 07/27/2007 (568528) CN602757411
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(e)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to meet the reporting requirements under 30 TAC 101.201(e).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(i)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to prevent unauthorized emissions during an excess opacity 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
ENFORCEMENT ACTION
CONCERNING
PRISM GAS SYSTEMS I, L.P.
RN102558939**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2009-1265-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 Prism Gas Systems I, L.P. ("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 processing plant at 155 Private Road 1133 in Waskom, Harrison 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 2, 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 Fifty-Eight Thousand One Hundred Ninety-Seven Dollars (\$58,197) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-Three Thousand Two Hundred Seventy-Nine Dollars (\$23,279) of the administrative penalty and Eleven Thousand Six Hundred Thirty-Nine Dollars (\$11,639) is deferred contingent upon the Respondent's timely and

satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Twenty-Three Thousand Two Hundred Seventy-Nine Dollars (\$23,279) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. Began monthly monitoring for all pumps on September 8, 2008;
 - b. Capped the two open-ended lines with steel plugs on June 17, 2009, and conducted, and will continue to conduct ongoing training for plant personnel regarding this requirement;
 - c. Created an inspection log on June 19, 2009;
 - d. Began quarterly monitoring for all compressors on July 20, 2009;
 - e. Re-monitored the seven pumps and 45 valves on July 20, 2009, to ensure the leak rate was below 2,000 parts per million by volume ("ppmv") and 500 ppmv; and
 - f. Began yearly flange monitoring on July 21, 2009.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to maintain records of quarterly visible emissions observations of stationary vents, in violation of 30 TEX. ADMIN. CODE § 122.143(4), Federal Operating Permit ("FOP")

- No. O-00815, General Operating Permit ("GOP") No. 514, Site-wide requirements (b)(8)(A)(iv)(c) and (b)(8)(B)(iv)(c), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 16, 2009. Specifically, no records to demonstrate that the observations had been conducted were available during the investigation.
2. Failed to adhere to the permitted allowable emission limit for carbon monoxide ("CO"), in violation of 30 TEX. ADMIN. CODE §§ 116.615(2) and 122.143(4), Standard Permit No. 32829, FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(E)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 16, 2009. Specifically, the permitted allowable limit is 1.91 pounds per hour ("lbs/hr") and 8.38 tons per year ("TPY"), and test report data showed the actual rate to be 2.05 lbs/hr and 9.0 TPY for emission point number ("EPN") TCM-101A and EPN TCM-101B and 2.16 lbs/hr and 9.46 TPY for EPN TCM-101C.
 3. Failed to obtain air permit authorization prior to construction (extension of the de-methanizer column and the addition of another tray), in violation of 30 TEX. ADMIN. CODE §§ 116.110(a) and 122.143(4), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(A), and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), as documented during an investigation conducted on June 16, 2009.
 4. Failed to repair seven leaking pumps (component numbers 18283, 18304, 18978, 20007, 21632, 10160, and 10584) within 15 days of discovering the leaks, and failed to repair 45 valves within 15 days of discovering the leaks, in violation of 30 TEX. ADMIN. CODE §§ 116.620(c)(2)(B) and 122.143(4), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(F)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 16, 2009. Specifically, from June 6, 2008 until June 16, 2009, seven pumps were found leaking above 2,000 ppmv and 45 valves were found leaking above 500 ppmv and were not repaired within 15 days of discovering the leaks. The pumps were leaking at a range between 2,004 ppmv and 8,981 ppmv and the 45 valves were leaking at a range between 507 ppmv and 9,988 ppmv.
 5. Failed to perform monthly monitoring on eight pumps, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), 116.620(c)(2)(I), 122.143(4), 40 CODE OF FEDERAL REGULATIONS ("CFR") §§ 60.482-2(a)(1) and 60.632(a), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(F)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 16, 2009. Specifically, seven pumps (component numbers 13186, 18283, 18304, 18978, 20007, 21632, 10160, and 10584) were not monitored each month from January 2008 through May 2008, and one pump (component number 22429) was not monitored from January 2008 through August 2008.
 6. Failed to conduct quarterly monitoring on eight compressors, in violation of 30 TEX. ADMIN. CODE §§ 116.620(c)(2)(I) and 122.143(4), FOP No. O-00815, GOP No. 514, Site-wide requirements (b)(7)(F)(ii), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 16, 2009. Specifically, during the time period from January 1, 2008 through June 16, 2009, no compressors in the Plant were monitored.
 7. Failed to conduct annual monitoring on 18 components (flanges) in the closed vent system in Plants 1 and 2, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), 40 CFR §§ 60.482-10(f)(2)(ii) and 60.632(a), FOP No. O-00815, GOP No. 514, Permit Tables (c)(11),

and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 16, 2009. Specifically, it was documented that from January 1, 2008 through June 16, 2009, Plant 1 had one flange in the closed vent system that was not monitored, and Plant 2 had 17 flanges in the closed vent system that were not monitored.

8. Failed to equip two open-ended lines with a cap, blind flange, plug, or second valve, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), 40 CFR §§ 60.482-6(a)(1) and 60.632(a), FOP No. O-00815, GOP No. 514, Permit Tables (c)(11), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 16, 2009. Specifically, it was documented on the date of the investigation that Tag Nos. 0027 and 1522 were open-ended and needed to be closed with the proper equipment.

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: Prism Gas Systems I, L.P., Docket No. 2009-1265-AIR-E" to:

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

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6, Jurisdiction and Stipulations above, Twenty-Three Thousand Two Hundred Seventy-Nine Dollars (\$23,279) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 15 days after the effective date of this Agreed Order, submit an administratively complete air permit amendment application to include increased CO emissions for EPN Nos. TCM-101A, TCM-101B, and TCM-101C, and for the modification of the de-methanizer column, in accordance with 30 TEX. ADMIN. CODE § 116.110 to:

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

- b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment application within 30 days after the date of such requests, or by any other deadline specified in writing; and
- c. Within 270 days after the effective date of this Agreed Order, submit written certification that either an air permit amendment has been obtained or that operation has ceased until such time that appropriate authorization is obtained. The certification shall include detailed supporting documentation including receipts and/or other records to demonstrate compliance, be notarized by a State of Texas Notary Public, and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of 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
Tyler Regional Office
Texas Commission on Environmental Quality
2916 Teague Drive
Tyler, Texas 75701-3734

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days

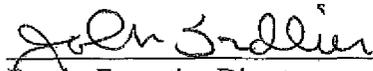
after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes under this Agreed Order.
9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

2/8/2010
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

12/1/09
Date

Robert E. Dünn

Name (Printed or typed)
Authorized Representative of
Prism Gas Systems I, L.P.

Sr. Vice President

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2009-1265-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Prism Gas Systems I, L.P.
Penalty Amount:	Forty-Six Thousand Five Hundred Fifty-Eight Dollars (\$46,558)
SEP Offset Amount:	Twenty-Three Thousand Two Hundred Seventy-Nine Dollars (\$23,279)
Type of SEP:	Pre-approved
Third-Party Recipient:	Texas PTA – <i>Texas PTA Clean School Buses</i>
Location of SEP:	Texas Air Quality Control Region 022 – Shreveport- Texarkana-Tyler

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 Offset 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 shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to **Texas PTA** for the *Texas PTA Clean School Bus Program* as set forth in an agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to reimburse local school districts for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fueled or clean diesel buses; or 2) retrofitting older diesel buses with new, cleaner technology. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

The Respondent certifies that it has no prior commitment to make this contribution and that it is being done solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions from buses by more than 90% below today's level and by reducing hydrocarbons.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset 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 Offset Amount to the Third-Party Recipient. The Respondent shall mail a copy of the Agreed Order with the contribution to:

Ms. Kryss O'Shaughnessy, Director of Finance
Texas PTA
408 W. 11th Street
Austin, Texas 78701

3. Records and Reporting

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

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset 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 Offset Amount.

In the event of incomplete performance, the Respondent shall include on the check the docket number of this Agreed Order and a note that it is for reimbursement of a SEP. The Respondent shall make the payment for the amount due to "Texas Commission on Environmental Quality" and mail it to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

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 a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

