

Executive Summary – Enforcement Matter – Case No. 41758

DCP Midstream, LP

RN104658273

Docket No. 2011-0861-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Tolar Gas Plant, 4205 Hill City Highway, Tolar, Hood County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: September 2, 2011

Comments Received: No

Penalty Information

Total Penalty Assessed: \$9,875

Amount Deferred for Expedited Settlement: \$1,975

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$0

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$7,900

Name of SEP: University of Texas Arlington - Texas Air Monitoring Network

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

Executive Summary – Enforcement Matter – Case No. 41758

DCP Midstream, LP

RN104658273

Docket No. 2011-0861-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: March 22, 2011

Date(s) of NOE(s): May 23, 2011

Violation Information

Failed to submit an application for renewal at least six months prior to expiration of a permit and continued to operate the Plant without authorization. Specifically, the Respondent failed to renew Federal Operating Permit (“FOP”) No. O-02843/General Operating Permit (“GOP”) No. 514 before the permit expiration date of December 22, 2010, and continued to operate the emissions sources at the Plant [30 TEX. ADMIN. CODE §§ 122.121, 122.133(2), and 122.241(b) and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Executive Director recognizes that the Respondent obtained authorization to operate the Plant under FOP No. O3418/GOP No. 514 on May 17, 2011.

Technical Requirements:

The Order will require the Respondent to implement and complete a Supplemental Environmental Project (“SEP”). (See SEP Attachment A)

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Rebecca Johnson, Enforcement Division, Enforcement Team 5, MC R-14, (361) 825-3423; Debra Barber, Enforcement Division, MC 219, (512) 239-0412

TCEQ SEP Coordinator: Phillip Hampsten, SEP Coordinator, Enforcement Division, MC 219, (512) 239-6732

Executive Summary – Enforcement Matter – Case No. 41758

DCP Midstream, LP

RN104658273

Docket No. 2011-0861-AIR-E

Respondent: Ghazi Shahin, Vice President – East Region, DCP Midstream, LP, 5718 Westheimer Road, Suite 1900, Houston, Texas 77057-5642

Don Stevens, Senior Environmental Specialist, DCP Midstream, LP, 5718 Westheimer Road, Suite 1900, Houston, Texas 77057-5642

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	23-May-2011	Screening	1-Jun-2011	EPA Due	
	PCW	1-Jun-2011				

RESPONDENT/FACILITY INFORMATION	
Respondent	DCP Midstream, LP
Reg. Ent. Ref. No.	RN104658273
Facility/Site Region	4-Dallas/Fort Worth
Major/Minor Source	Major

CASE INFORMATION		No. of Violations	1
Enf./Case ID No.	41758	Order Type	1660
Docket No.	2011-0861-AIR-E	Government/Non-Profit	No
Media Program(s)	Air	Enf. Coordinator	Rebecca Johnson
Multi-Media		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	\$12,500
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	4.0% Enhancement	Subtotals 2, 3, & 7	\$500
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Notes: Enhancement for two NOVs with dissimilar violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$3,125
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$40
Approx. Cost of Compliance	\$2,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$9,875
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$9,875
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$9,875
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DEFERRAL	20.0% Reduction	Adjustment	-\$1,975
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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	\$7,900
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Screening Date 1-Jun-2011
Respondent DCP Midstream, LP
Case ID No. 41758
Reg. Ent. Reference No. RN104658273
Media [Statute] Air
Enf. Coordinator Rebecca Johnson

Docket No. 2011-0861-AIR-E

PCW

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	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 (<i>number of judgements or consent decrees meeting criteria</i>)	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 (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	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 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	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) 4%

>> 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

Enhancement for two NOVs with dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 4%

Screening Date 1-Jun-2011

Docket No. 2011-0861-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 41758

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN104658273

Media [Statute] Air

Enf. Coordinator Rebecca Johnson

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 122.121, 122.133(2), and 122.241(b) and Tex. Health & Safety Code §§ 382.054 and 382.085(b)

Violation Description Failed to submit an application for renewal at least six months prior to expiration of a permit and continued to operate the Plant without authorization. Specifically, the Respondent failed to renew Federal Operating Permit No. O-02843/General Operating Permit No. 514 before the permit expiration date of December 22, 2010, and continued to operate the emissions sources at the Plant.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

		Harm			
		Major	Moderate	Minor	
Release	Actual				Percent 0%
	Potential				

>> Programmatic Matrix

		Major	Moderate	Minor	
Falsification		x			Percent 25%

Matrix Notes 100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 5 Number of violation days 146

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$12,500

Five monthly events are recommended from the December 22, 2010 permit expiration date to the date the new permit was issued (May 17, 2011).

Good Faith Efforts to Comply

25.0% Reduction

\$3,125

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

Notes The Respondent completed corrective measures on May 17, 2011, before the May 23, 2011 NOE.

Violation Subtotal \$9,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$40

Violation Final Penalty Total \$9,875

This violation Final Assessed Penalty (adjusted for limits) \$9,875

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 41758
Req. Ent. Reference No. RN104658273
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

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	\$2,000	22-Dec-2010	17-May-2011	0.40	\$40	n/a	\$40
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to complete and submit a permit renewal application. The date required is the date the permit expired. The final date is the date the new permit was issued.

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

\$2,000

TOTAL

\$40

Compliance History

Customer/Respondent/Owner-Operator: CN601229917 DCP Midstream, LP Classification: AVERAGE Rating: 2.42
Regulated Entity: RN104658273 TOLAR GAS PLANT Classification: AVERAGE Site Rating: 2.38
ID Number(s):
AIR NEW SOURCE PERMITS REGISTRATION 76170
AIR NEW SOURCE PERMITS REGISTRATION 78817
AIR NEW SOURCE PERMITS ACCOUNT NUMBER HQA002B
AIR NEW SOURCE PERMITS AFS NUM 4822100693
AIR OPERATING PERMITS PERMIT 3418
AIR OPERATING PERMITS PERMIT 2843
AIR EMISSIONS INVENTORY ACCOUNT NUMBER HQA002B
Location: 4205 HILL CITY HWY, TOLAR, TX, 76476
TCEQ Region: REGION 04 - DFW METROPLEX
Date Compliance History Prepared: June 03, 2011
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: June 03, 2006 to June 03, 2011
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Rebecca Johnson Phone: (361) 825-3423

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? DCP Midstream, LP
4. If Yes, who was/were the prior owner(s)/operator(s)? MEG Texas Gas Service, L.P.
5. When did the change(s) in owner or operator occur? 08/31/2007
6. Rating Date: 9/1/2010 Repeat Violator: NO

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, 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 07/06/2007 (561072)
 - 2 08/29/2008 (640529)
 - 3 08/28/2008 (688168)
 - 4 08/22/2008 (689173)
 - 5 08/31/2009 (746550)
 - 6 12/03/2009 (780422)

7 05/21/2010 (801803)

8 05/16/2011 (906389)

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

Date: 07/10/2007 (561072)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)
5C THC Chapter 382, SubChapter A 382.085(b)
Description: Failure to submit permit compliance certification in a timely manner.

Date: 09/08/2009 (746550)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(c)(1)
5C THSC Chapter 382 382.085(b)
Description: Failure to comply with the requirements of 30 TAC 101.20(a), 40 CFR 60.632 and 40 CFR 60.482-2(c)(1), by failing to repair several leaking valves and pumps within 15 calendar days after the leak was detected.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(c)(2)
5C THSC Chapter 382 382.085(b)
Description: Failure to comply with the requirements of 40 CFR 60.632 and 40 CFR 60.482-2(c)(2), by failing to make a first attempt at repair within five calendar days after a leak is detected.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)(3)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)(9)
5C THSC Chapter 382 382.085(b)
Description: Failure to comply with the requirements of 40 CFR 60.632, 40 CFR 60.486(c)(3), and 40 CFR 60.486(c)(9), by failing to record repair methods applied in each attempt to repair a leak and failure to record the date of successful repair of a leak.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)
5C THSC Chapter 382 382.085(b)
Description: Failure to comply with the requirements of 30 TAC 106.512(2)(C), by failing to replace an oxygen sensor during the first, second and third quarters of 2008 and document proper operation by recorded emissions measurements.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)
5C THSC Chapter 382 382.085(b)
Description: Failure to comply with the requirements of 40 CFR 60.632 and 40 CFR 60.482-6(a)(2), by failing to maintain the cap, blind, flange, plug, or second valve sealed on open ends at all times except during operations requiring process fluid flow through the open-ended valve or line.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(a)(4)
5C THSC Chapter 382 382.085(b)
Description: Failure to comply with the requirements of 40 CFR 60.7(a)(4), by not furnishing notification of any physical or operational change to the facility which may increase the emission rate of any air pollutant to which a standard applies 60 days or as soon as practicable before the change is commenced.

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
DCP MIDSTREAM, LP
RN104658273**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2011-0861-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 DCP Midstream, LP ("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 4205 Hill City Highway in Tolar, Hood 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 May 28, 2011.
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 Nine Thousand Eight Hundred Seventy-Five Dollars (\$9,875) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). One Thousand Nine Hundred Seventy-Five Dollars (\$1,975) 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. Seven Thousand Nine Hundred Dollars (\$7,900) 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 obtained authorization to operate the Plant under Federal Operating Permit ("FOP") No. O3418/General Operating Permit ("GOP") No. 514 on May 17, 2011.
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 failed to submit an application for renewal at least six months prior to expiration of a permit and continued to operate the Plant without authorization, in violation of 30 TEX. ADMIN. CODE §§ 122.121, 122.133(2), and 122.241(b) and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b), as documented during a record review conducted on March 22, 2011. Specifically, the Respondent failed to renew FOP No. O-02843/GOP No. 514 before the permit expiration date of December 22, 2010, and continued to operate the emissions sources at the Plant.

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: DCP Midstream, LP, Docket No. 2011-0861-AIR-E" to:

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

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Seven Thousand Nine Hundred Dollars (\$7,900) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The 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 separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
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

9/12/11

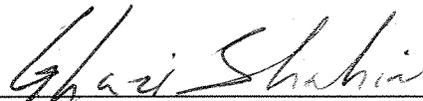
Date

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

7-26-11

Date

Ghazi Shahin

Name (Printed or typed)
Authorized Representative of
DCP Midstream, LP

VP operations, East Region

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: 2011-0861-AIR-E
Supplemental Environmental Project

Respondent: DCP Midstream, LP
Penalty Amount: Seven Thousand Nine Hundred Dollars
(\$7,900)
SEP Offset Amount: Seven Thousand Nine Hundred Dollars
(\$7,900)
Type of SEP: Pre-approved
Third-Party Recipient: University of Texas Arlington
Project Name: Texas Air Monitoring Network SEP
Location of SEP: All Counties Statewide

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset the Penalty Amount assessed in this Agreed Order for 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

Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to the University of Texas at Arlington for the *Texas Air Monitoring Network SEP* to be used as set forth in an agreement between the Third-Party Recipient and the TCEQ (the “Project”). Specifically, SEP funds will be used to construct, operate, maintain, and potentially expand a network of continuous ambient monitoring stations (“CAMS”) that monitor both air toxics and ozone precursors. Each CAMS will feature an automated gas-chromatograph (“Auto-GC”) which shall monitor ambient air for chemical compounds that could potentially affect human health and welfare and ozone formation. The current target analyte list for each Auto GC includes approximately 48 parameters. An oxides of nitrogen monitor, sulfur dioxide monitor and meteorological data instruments may also be installed at sites in the future upon approval from TCEQ.

Specifically, SEP Funds shall be used for site preparation, equipment purchase, operation and maintenance of an air monitoring network in the state of Texas in order to provide information on data quality and trends to the public, TCEQ, and industry representatives. Contingent upon funding and priorities, each of the CAMS locations shall measure air quality for a variety of parameters. Hourly measurements shall be reported for approximately 48 parameters that participate in the formation of ground

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level ozone and several of which are designated by the EPA as Hazardous Air Pollutants (“HAPs”). The speciated measurements shall be made using an Auto-GC. In the future at TCEQ’s direction, both 5-minute and hourly averaged measurements of oxides of nitrogen (“NO_x”), nitric oxide (“NO”), and nitrogen dioxide (“NO₂”), ozone (“O₃”), sulfur dioxide (“SO₂”) and meteorological parameters (i.e., wind speed, wind direction, horizontal wind standard deviation, wind gust, net radiation, and outside air temperature) may be measured and reported. Other parameters may be considered dependent upon funding. The data from this program shall be collected, validated and quality assured using methodologies consistent with TCEQ standards. Available data from each CAMS shall be uploaded every 15 minutes via a web based portal directly to TCEQ’s air quality information database which TCEQ may make available to the public via the TCEQ public web site.

The SEP shall be conducted under a TCEQ-approved Quality Assurance Project Plan containing all applicable EPA QA-R5 elements. Analysis of all data collected from these sites will comply with standard operating procedures for the analysis and measurement of air toxics and ozone precursors in ambient air. The laboratory data generated by this project will be from a TCEQ accredited laboratory in compliance with state laws and rules regarding use of certified or accredited testing laboratories. For example, data submitted must comply with 30 Texas Administrative Code, Chapter 25, Subchapter A, relating to Environmental Testing Laboratory Accreditation and Certification, as amended, where applicable. The data collected using SEP Funds will be validated and sent to TCEQ’s LEADS system and EPA’s AQS. All costs associated with the collection, transfer, and formatting of this data to be compatible with the LEADS system and the AQS System may utilize SEP funds.

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.

Respondent’s signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action.

b. Environmental Benefit

This air monitoring project will provide data to help prevent pollution and reduce the amount of pollutants reaching the environment. Data from these monitors may be used to evaluate the effectiveness of current emission control strategies, track ambient concentration trends for key pollutants of interest, evaluate episodic emission events, conduct source attribution studies, support enforcement actions and assess potential community exposure to toxic air contaminants.

This SEP will collect data sets that can be used to evaluate and track air pollution emission events as they occur, and to assess potential ambient community exposure to a limited number of HAPs. Data from the monitors will be used with data from other monitors to provide critical information that can be used to evaluate the effectiveness of current and proposed emission control strategies aimed at achieving compliance with the National Ambient Air Quality Standards requirements. The data will also provide a key source of information that is essential to furthering an overall understanding of those emission sources that contribute to ambient community exposure to toxic air contaminants. Another key benefit is the ability to measure the change in the ambient air concentration of the individual target species and quantify control measure effectiveness. Data from these monitors may be publicly accessible through the TCEQ's website and may be used in evaluating air quality in the area, including ozone forecasts, and ozone warnings.

c. Minimum Expenditure

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

University of Texas at Arlington
Attention: Lisa London, Executive Director
Division for Enterprise Development
140 W. Mitchell Street
Arlington, Texas 76019-0197

3. Records and Reporting

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

DCP Midstream, LP
Agreed Order - Attachment A

Enforcement Division
Attention: SEP Coordinator, MC 219
PO 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 payment 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, Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall mail it to:

Texas Commission on Environmental Quality
Office of Legal Services
Attention: SEP Coordinator, MC 175
PO Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of 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

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

Attachment A
Docket Number: 2011-0861-AIR-E
Supplemental Environmental Project

Respondent: DCP Midstream, LP
Penalty Amount: Seven Thousand Nine Hundred Dollars
(\$7,900)
SEP Offset Amount: Seven Thousand Nine Hundred Dollars
(\$7,900)
Type of SEP: Pre-approved
Third-Party Recipient: University of Texas Arlington
Project Name: Texas Air Monitoring Network SEP
Location of SEP: All Counties Statewide

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset the Penalty Amount assessed in this Agreed Order for 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

Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to the University of Texas at Arlington for the *Texas Air Monitoring Network SEP* to be used as set forth in an agreement between the Third-Party Recipient and the TCEQ (the “Project”). Specifically, SEP funds will be used to construct, operate, maintain, and potentially expand a network of continuous ambient monitoring stations (“CAMS”) that monitor both air toxics and ozone precursors. Each CAMS will feature an automated gas-chromatograph (“Auto-GC”) which shall monitor ambient air for chemical compounds that could potentially affect human health and welfare and ozone formation. The current target analyte list for each Auto GC includes approximately 48 parameters. An oxides of nitrogen monitor, sulfur dioxide monitor and meteorological data instruments may also be installed at sites in the future upon approval from TCEQ.

Specifically, SEP Funds shall be used for site preparation, equipment purchase, operation and maintenance of an air monitoring network in the state of Texas in order to provide information on data quality and trends to the public, TCEQ, and industry representatives. Contingent upon funding and priorities, each of the CAMS locations shall measure air quality for a variety of parameters. Hourly measurements shall be reported for approximately 48 parameters that participate in the formation of ground

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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.

Respondent’s signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action.

b. Environmental Benefit

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Enforcement Division
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PO Box 13087
Austin, Texas 78711-3087

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