

**Executive Summary – Enforcement Matter – Case No. 41754  
Pecan Pipeline Company  
RN105589311  
Docket No. 2011-0870-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Henderson Compressor Station, 8911 Farm-to-Market Road 455, Montague, Montague County

**Type of Operation:**

Compressor station

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** October 7, 2011

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$15,860

**Amount Deferred for Expedited Settlement:** \$3,172

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$12,688

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**SEP Conditional Offset:** \$0

Name of SEP: N/A

**Compliance History Classifications:**

Person/CN - Average

Site/RN - Average by Default

**Major Source:** No

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** September 2002

**Executive Summary – Enforcement Matter – Case No. 41754**  
**Pecan Pipeline Company**  
**RN105589311**  
**Docket No. 2011-0870-AIR-E**

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** March 9, 2011

**Date(s) of NOE(s):** May 6, 2011

***Violation Information***

1. Failed to submit an initial notification not later than 24 hours after the discovery of an emissions event that occurred on August 4, 2010. Specifically, the initial notification for Incident No. 151818 was due by 12:00 a.m. on August 5, 2010, but was not submitted until 12:48 p.m. on November 15, 2010 [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to properly maintain a control device and failed to prevent unauthorized emissions during an event that began on August 4, 2010 (Incident No. 151818). Specifically, the Respondent manually opened a bypass valve to relieve the load on the thermal oxidizer, leading to the release of approximately 39,810 pounds of unauthorized volatile organic compounds into the atmosphere that lasted approximately 2,104 hours. Since the emissions event was reported late and was avoidable by implementing better maintenance practices, it does not meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 106.4(c) and 106.6(b) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit By Rule Registration No. 85698].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

N/A

**Technical Requirements:**

The Order will require the Respondent to:

a. Within 30 days:

i. Implement improvements to training, design, operation, or maintenance procedures, in order to address the emissions event (Incident No. 151818) that began on August 4, 2010, and to prevent the reoccurrence of same or similar incidents;

ii. Implement improvements to training procedures and the recordkeeping system to ensure that emissions events are reported within 24 hours of discovery; and

b. Within 45 days, submit written certification demonstrating compliance.

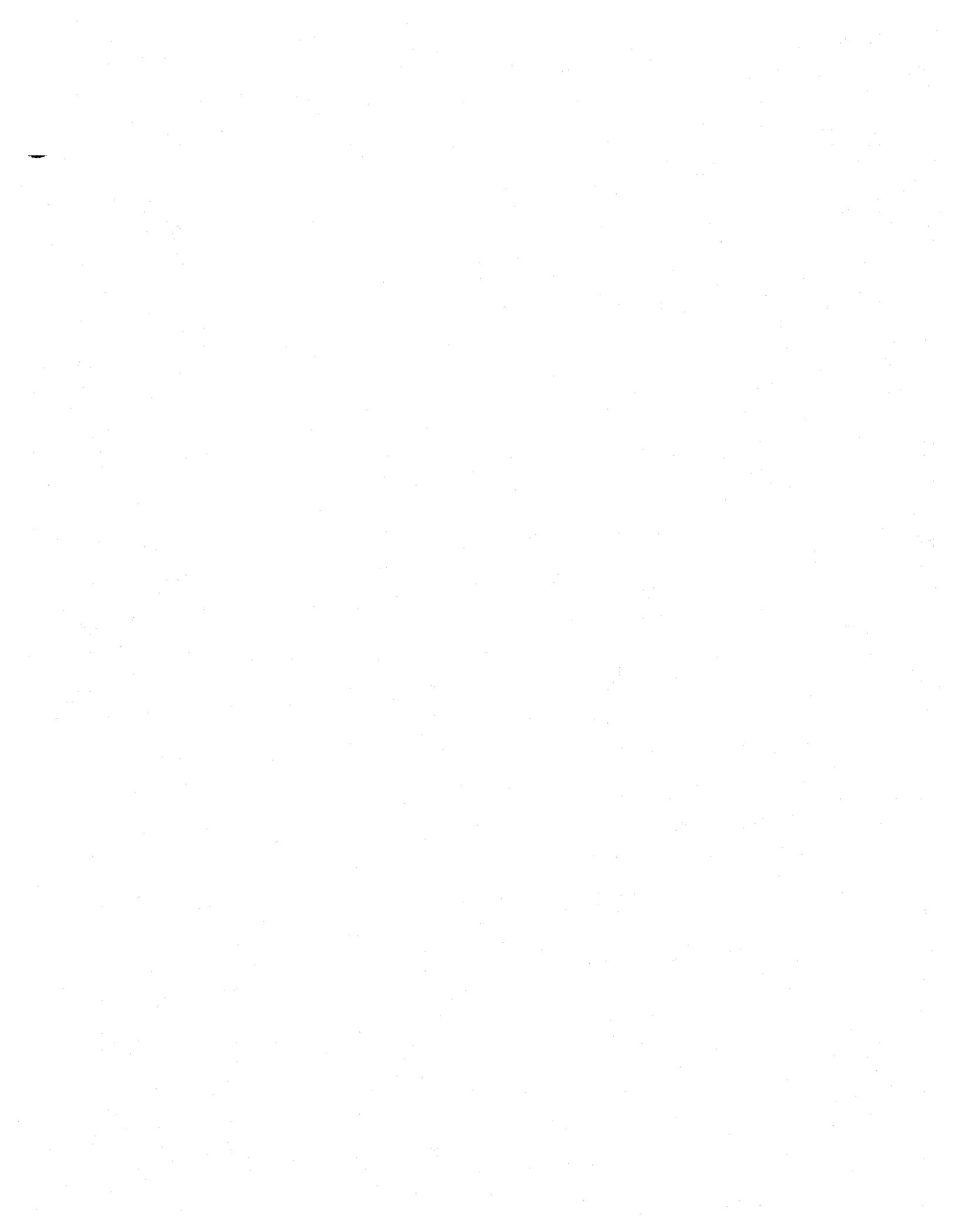
**Executive Summary – Enforcement Matter – Case No. 41754  
Pecan Pipeline Company  
RN105589311  
Docket No. 2011-0870-AIR-E**

***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:** Miriam Hall, Enforcement Division,  
Enforcement Team 4, MC 149, (512) 239-1044; Debra Barber, Enforcement Division,  
MC 219, (512) 239-0412  
**TCEQ SEP Coordinator:** N/A  
**Respondent:** Raymond L. Ingle, President and Chief Executive Officer, Pecan Pipeline  
Company, P.O. Box 4362, Houston, Texas 77210  
Kelly Jones, Senior Environmental Specialist, Pecan Pipeline Company, P.O. Box 4362,  
Houston, Texas 77210  
**Respondent's Attorney:** N/A





# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

<b>DATES</b>	<b>Assigned</b>	9-May-2011	<b>Screening</b>	31-May-2011	<b>EPA Due</b>	
	<b>PCW</b>	8-Jun-2011				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Pecan Pipeline Company		
<b>Reg. Ent. Ref. No.</b>	RN105589311		
<b>Facility/Site Region</b>	3-Abilene	<b>Major/Minor Source</b>	Minor

## CASE INFORMATION

<b>Enf./Case ID No.</b>	41754	<b>No. of Violations</b>	2
<b>Docket No.</b>	2011-0870-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Miriam Hall
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$7,600**

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

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

**Compliance History** 10.0% Enhancement **Subtotals 2, 3, & 7** **\$760**

Notes: Enhancement for two NOV's with same/similar violations.

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

Notes: The Respondent does not meet the culpability criteria.

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

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

Total EB Amounts \$149  
 Approx. Cost of Compliance \$2,000  
 \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$8,360**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** 89.7% **Adjustment** **\$7,500**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: The Executive Director recommends an upward adjustment due to the significant amount of emissions released in Violation No. 2.

**Final Penalty Amount** **\$15,860**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$15,860**

**DEFERRAL** 20.0% Reduction **Adjustment** **-\$3,172**

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** **\$12,688**

**Screening Date** 31-May-2011

**Docket No.** 2011-0870-AIR-E

**PCW**

**Respondent** Pecan Pipeline Company

Policy Revision 2 (September 2002)

**Case ID No.** 41754

PCW Revision October 30, 2008

**Reg. Ent. Reference No.** RN105589311

**Media [Statute]** Air

**Enf. Coordinator** Miriam Hall

**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> )	2	10%
	Other written NOVs	0	0%
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)** 10%

>> **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 same/similar violations.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 10%

Screening Date 31-May-2011

Docket No. 2011-0870-AIR-E

PCW

Respondent Pecan Pipeline Company

Policy Revision 2 (September 2002)

Case ID No. 41754

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105589311

Media [Statute] Air

Enf. Coordinator Miriam Hall

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit an initial notification not later than 24 hours after the discovery of an emissions event that began on August 4, 2010. Specifically, the initial notification for Incident No. 151818 was due by 12:00 a.m. on August 5, 2010, but was not submitted until 12:48 p.m. on November 15, 2010.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes

Less than 30% of the rule requirement was not met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 1

103 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$100

One single event is recommended based on the untimely submission of the initial notification for the emissions event.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/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 \$100

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$19

Violation Final Penalty Total \$209

This violation Final Assessed Penalty (adjusted for limits) \$209

# Economic Benefit Worksheet

**Respondent** Pecan Pipeline Company  
**Case ID No.** 41754  
**Red. Ent. Reference No.** RN105589311  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$250	5-Aug-2010	31-Jan-2012	1.49	\$19	n/a	\$19
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs: Estimated cost for improving the recordkeeping/reporting system for timely submittals of emissions event reports. The Date Required is the date the report was due and the Final Date is the estimated date of compliance.

### 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	\$250	<b>TOTAL</b>	\$19
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Screening Date 31-May-2011

Docket No. 2011-0870-AIR-E

PCW

Respondent Pecan Pipeline Company

Policy Revision 2 (September 2002)

Case ID No. 41754

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105589311

Media [Statute] Air

Enf. Coordinator Miriam Hall

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 106.4(c) and 106.6(b) and (c), Tex. Health & Safety Code § 382.085(b), and Permit By Rule Registration No. 85698

Violation Description

Failed to properly maintain a control device and failed to prevent unauthorized emissions during an event that began on August 4, 2010 (Incident No. 151818). Specifically, the Respondent manually opened a bypass valve to relieve the load on the thermal oxidizer, leading to the release of approximately 39,810 pounds of unauthorized volatile organic compounds into the atmosphere that lasted approximately 2,104 hours. Since the emissions event was reported late and was avoidable by implementing better maintenance practices, it does not meet the demonstration for an affirmative defense in 30 Tex. Admin. Code § 101.222.

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 significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 3

87 Number of violation days

daily	
weekly	
monthly	X
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$7,500

Three monthly events are recommended based on the emissions event that began August 4, 2010 and ended October 30, 2010.

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 \$131

Violation Final Penalty Total \$15,651

This violation Final Assessed Penalty (adjusted for limits) \$15,651

## Economic Benefit Worksheet

**Respondent** Pecan Pipeline Company  
**Case ID No.** 41754  
**Reg. Ent. Reference No.** RN105589311  
**Media** Air  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$250	4-Aug-2010	31-Jan-2012	1.49	\$19	n/a	\$19
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	4-Aug-2010	31-Jan-2012	1.49	\$112	n/a	\$112

**Notes for DELAYED costs**

Estimated cost for additional oversight and management practices designed to ensure proper operation and maintenance practices are followed. Date Required is the start date of the emissions event. Final Date is the date corrective actions are expected to be completed.

### Avoided Costs

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

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

**Notes for AVOIDED costs**

Approx. Cost of Compliance

\$1,750

**TOTAL**

\$131

## Compliance History

Customer/Respondent/Owner-Operator:	CN603332263 Pecan Pipeline Company	Classification: AVERAGE	Rating: 3.60
Regulated Entity:	RN105589311 HENDERSON COMPRESSOR STATION	Classification: AVERAGE BY DEFAULT	Site Rating: 3.01
ID Number(s):	AIR NEW SOURCE PERMITS AIR NEW SOURCE PERMITS AIR NEW SOURCE PERMITS AIR EMISSIONS INVENTORY	AFS NUM ACCOUNT NUMBER REGISTRATION ACCOUNT NUMBER	4833700222 MPA005E 85698 MPA005E
Location:	8911 FM 455		
TCEQ Region:	REGION 03 - ABILENE		
Date Compliance History Prepared:	May 23, 2011		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	May 23, 2006 to May 23, 2011		
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History			
Name:	Gena Hawkins	Phone:	(512) 239 - 2583

### Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? No
2. Has there been a (known) change in ownership/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2010 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	12/17/2010	(877280)
2	02/21/2011	(893548)
3	03/31/2011	(901849)
4	05/06/2011	(905374)
5	05/13/2011	(915566)

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

Date:	12/17/2010 (877280)	CN603332263	Classification: Moderate
Self Report?	NO		

Citation: 30 TAC Chapter 106, SubChapter A 106.4(a)(6)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(a)(1)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4245(c)  
5C THSC Chapter 382 382.085(b)

Description: Pecan Pipeline Company failed to submit date of construction notifications in accordance with 40 CFR 60.7(a)(1) for four compressor engines (Engines: 4ZS01268, 4ZS01261, 4ZS01084 & 4ZS01351) as required by 40 CFR 60.4245(c). 40 CFR 60.7(a)(1) states, owners and operators must submit notification of date of construction (postmarked) no later than 30 days after such date.

Self Report?	NO	Classification:	Moderate
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Citation: 30 TAC Chapter 106, SubChapter A 106.4(a)(6)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4245(d)  
5C THSC Chapter 382 382.085(b)

Description: Pecan Pipeline Company failed to submit initial engine performance test results to the TCEQ for Engine No. 1 - SN:4ZS01268 and Engine No. 4 - SN:4ZS01084 within 60 days of the compliance test, in accordance with 40 CFR 60.4245(d).

Self Report?	NO	Classification:	Moderate
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Citation: 30 TAC Chapter 106, SubChapter A 106.4(a)(6)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.8(d)  
5C THSC Chapter 382 382.085(b)

Description: Pecan Pipeline Company failed to submit notification of engine performance testing to the TCEQ for Engine No. 5 - SN:4SZ01351 within 30 days prior to the testing as required by 40 CFR 60.8(d).

Self Report?	NO	Classification:	Moderate
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Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(iii)  
5C THSC Chapter 382 382.085(b)

Description: Pecan Pipeline Company failed to document within 60 days following initial startup, emissions of NOx and CO for Engine No. 1 - 4ZS01268, Engine No. 2 - 4ZS01261 and Engine No. 4 - 4ZS01084, as required by 30 TAC 106.512 (2)(C)(iii).

Date	03/31/2011 (901849)	CN603332263	Classification: Moderate
Self Report?	NO		

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)

30 TAC Chapter 116, SubChapter B 116.110(a)  
5C THSC Chapter 382.085(b)

Description: Pecan Pipeline Company failed to identify all individually listed compounds or mixtures released during the February 1-5, 2011, Emission Event (Incident #150065) at the Henderson Compressor Station on the Final Report as required by 30 TAC 101.201(b)(1)(G).

- 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  
PECAN PIPELINE COMPANY  
RN105589311**

§  
§  
§  
§  
§

**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2011-0870-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 Pecan Pipeline Company ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a compressor station at 8911 Farm-to-Market Road 455 in Montague, Montague County, Texas (the "Site").
2. The Site 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 11, 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 Fifteen Thousand Eight Hundred Sixty Dollars (\$15,860) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twelve Thousand Six Hundred

Eighty-Eight Dollars (\$12,688) of the administrative penalty and Three Thousand One Hundred Seventy-Two Dollars (\$3,172) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

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

1. Failed to submit an initial notification not later than 24 hours after the discovery of an emissions event that occurred on August 4, 2010, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on March 9, 2011. Specifically, the initial notification for Incident No. 151818 was due by 12:00 a.m. on August 5, 2010, but was not submitted until 12:48 p.m. on November 15, 2010.
2. Failed to properly maintain a control device and failed to prevent unauthorized emissions during an event that began on August 4, 2010 (Incident No. 151818), in violation of 30 TEX. ADMIN. CODE §§ 106.4(c) and 106.6(b) and (c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit By Rule Registration No. 85698, as documented during an investigation conducted on March 9, 2011. Specifically, the Respondent manually opened a bypass valve to relieve the load on the thermal oxidizer, leading to the release of approximately 39,810 pounds of unauthorized volatile organic compounds into the atmosphere that lasted approximately 2,104 hours. Since the emissions event was reported late and was avoidable by implementing better maintenance practices, it does not meet the demonstration for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Pecan Pipeline Company, Docket No. 2011-0870-AIR-E" to:

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

2. It is further ordered that the Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order:
    - i. Implement improvements to training, design, operation, or maintenance procedures, in order to address the emissions event (Incident No. 151818) that began on August 4, 2010, and to prevent the reoccurrence of same or similar incidents;
    - ii. Implement improvements to training procedures and the recordkeeping system to ensure that emissions events are reported within 24 hours of discovery; and
  - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a.i. and 2.a.ii. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

Air Section, Manager  
Abilene Regional Office  
Texas Commission on Environmental Quality  
1977 Industrial Boulevard  
Abilene, Texas 79602-7833

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 Site 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

*[Signature]* for R. Hyde  
For the Executive Director

10-25-11  
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]*  
Signature

4 Aug 2011  
Date

Raymond L. Ingle  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Pecan Pipeline Company

\_\_\_\_\_  
President and Chief Executive Officer  
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.