

**Executive Summary – Enforcement Matter – Case No. 44288**

**DCP Midstream, LP**

**RN102805272**

**Docket No. 2012-1139-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

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

East Texas Gas Plant, 2628 U.S. Highway 79 North, Carthage, Panola County

**Type of Operation:**

Gas 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 7, 2012

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$14,001

**Amount Deferred for Expedited Settlement:** \$2,800

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

**Total Paid to General Revenue:** \$11,201

**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

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** September 2002 and September 2011

**Executive Summary – Enforcement Matter – Case No. 44288**  
**DCP Midstream, LP**  
**RN102805272**  
**Docket No. 2012-1139-AIR-E**

***Investigation Information***

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

**Complaint Information:** N/A

**Date(s) of Investigation:** April 2 to 12, 2012

**Date(s) of NOE(s):** May 8, 2012

***Violation Information***

1. Failed to repair valves no later than 15 days after a leak is detected. Specifically, from February 10 to June 3, 2011, eleven valves (Tag Nos. 102377, 103233, 103533, 104260, 104586, 104592, 104835, 106706, 106964, 107260, and 109126) were found to be leaking and were not repaired within 15 days after the leaks were detected [30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), Federal Operating Permit (“FOP”) No. O955, General Terms and Conditions (“GTC”) and Special Terms and Conditions (“STC”) No. 1.A., 40 CODE OF FEDERAL REGULATIONS (“CFR”) § 60.482-7(d)(1), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to comply with permitted emission rates during a stack test conducted on December 12, 2011 on Engine 17. Specifically, it was determined that the emission rate for carbon monoxide (“CO”) was 17.48 pounds per hour (“lbs/hr”), exceeding the maximum allowable emission rate (“MAER”) of 3.30 lbs/hr. The unauthorized emissions from Engine 17 are estimated to be 15,314.4 pounds of CO from December 12, 2011 to January 26, 2012 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F), 122.143(4), and 122.145(2)(A), Air Permit Nos. 8925, PSDTX206M1 and PSDTX432M2, Special Conditions No. 1, FOP No. O955, GTC and STC No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to submit a 40 CFR Part 60 Subpart KKK semiannual report within 30 days after the end of the reporting period. Specifically, the reporting period ended on August 31, 2011, but the report was not submitted until October 4, 2011 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(1)(C), FOP No. O955, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

Respondent has implemented the following corrective measures at the Plant:

a. By June 3, 2011, repaired and monitored eleven leaking valves (Tag Nos. 102377, 103233, 103533, 104260, 104586, 104592, 104835, 106706, 106964, 107260, and 109126) to ensure they were below the 10,000 parts per million leak rate;

b. On October 4, 2011, submitted a 40 CFR Part 60 Subpart KKK semiannual report for the reporting period that ended on August 31, 2011; and

**Executive Summary – Enforcement Matter – Case No. 44288**  
**DCP Midstream, LP**  
**RN102805272**  
**Docket No. 2012-1139-AIR-E**

c. By January 26, 2012, implemented measures to comply with the CO hourly MAER for Engine 17.

**Technical Requirements:**

N/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:** Kimberly Morales, Enforcement Division,  
Enforcement Team 5, MC R-12, (713) 422-8938; Debra Barber, Enforcement Division,  
MC 219, (512) 239-0412

**TCEQ SEP Coordinator:** N/A

**Respondent:** Ghazi Shahin, Operations Vice President, DCP Midstream, LP, 5718  
Westheimer Road, Suite 2000, Houston, Texas 77057

Paul R. Tourangeau, Assistant General Counsel, DCP Midstream, LP, 5718 Westheimer  
Road, Suite 2000, Houston, Texas 77057

**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>	14-May-2012	<b>Screening</b>	7-Jun-2012	<b>EPA Due</b>	
	<b>PCW</b>	11-Jun-2012				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	DCP Midstream, LP
<b>Reg. Ent. Ref. No.</b>	RN102805272
<b>Facility/Site Region</b>	5-Tyler
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>		<b>No. of Violations</b>	1
<b>Enf./Case ID No.</b>	44288	<b>Order Type</b>	1660
<b>Docket No.</b>	2012-1139-AIR-E	<b>Government/Non-Profit</b>	No
<b>Media Program(s)</b>	Air	<b>Enf. Coordinator</b>	Kimberly Morales
<b>Multi-Media</b>		<b>EC's Team</b>	Enforcement Team 5
<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**

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

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

**Compliance History**  Enhancement **Subtotals 2, 3, & 7**

Notes

**Culpability**   Enhancement **Subtotal 4**

Notes

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  Enhancement\* **Subtotal 6**

Total EB Amounts   
 Approx. Cost of Compliance  \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction **Adjustment**

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

Notes

**PAYABLE PENALTY**

**Screening Date** 7-Jun-2012

**Docket No.** 2012-1139-AIR-E

**PCW**

**Respondent** DCP Midstream, LP

Policy Revision 2 (September 2002)

**Case ID No.** 44288

PCW Revision October 30, 2008

**Reg. Ent. Reference No.** RN102805272

**Media [Statute]** Air

**Enf. Coordinator** Kimberly Morales

### 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> )	3	15%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	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 ( <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)** 37%

>> **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 three NOVs with same/similar violations, one NOV with dissimilar violations, and one order with denial of liability.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 37%

Screening Date 7-Jun-2012

Docket No. 2012-1139-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 2 (September 2002)

Case ID No. 44288

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102805272

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(1) and 122.143(4), Federal Operating Permit No. O955, General Terms and Conditions and Special Terms and Conditions No. 1.A., 40 Code of Federal Regulations § 60.482-7(d)(1), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to repair valves no later than 15 days after a leak is detected. Specifically, from February 10 to June 3, 2011, eleven valves (Tag Nos. 102377, 103233, 103533, 104260, 104586, 104592, 104835, 106706, 106964, 107260, and 109126) were found to be leaking and were not repaired within 15 days after the leaks were detected.

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 as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2

113 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$5,000

Two quarterly events are recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$1,250

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

Notes

The Respondent completed corrective actions on June 3, 2011, prior to the May 8, 2012 NOE.

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$27

Violation Final Penalty Total \$5,600

This violation Final Assessed Penalty (adjusted for limits) \$5,600

## Economic Benefit Worksheet

**Respondent** DCP Midstream, LP  
**Case ID No.** 44288  
**Reg. Ent. Reference No.** RN102805272  
**Media** Air  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

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

### Delayed Costs

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)	\$2,000	25-Feb-2011	3-Jun-2011	0.27	\$27	n/a	\$27

Notes for DELAYED costs

Estimated cost to repair and monitor the valves to ensure they are below the 10,000 parts per million leak rate. The Date Required is the date the first valve should have been repaired. The final date is the date that corrective actions were completed.

### 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**

\$27



# Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

**TCEQ**

<b>DATES</b>	<b>Assigned</b>	14-May-2012	<b>Screening</b>	7-Jun-2012	<b>EPA Due</b>	2-Feb-2013
	<b>PCW</b>	11-Jun-2012				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	DCP Midstream, LP				
<b>Reg. Ent. Ref. No.</b>	RN102805272				
<b>Facility/Site Region</b>	5-Tyler	<b>Major/Minor Source</b>	Major		

## CASE INFORMATION

<b>Enf./Case ID No.</b>	44288	<b>No. of Violations</b>	2
<b>Docket No.</b>	2012-1139-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>	Kimberly Morales
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1**

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

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

**Compliance History**  Enhancement **Subtotals 2, 3, & 7**

**Notes**

**Culpability**   Enhancement **Subtotal 4**

**Notes**

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  Enhancement\* **Subtotal 6**

Total EB Amounts   
 Approx. Cost of Compliance  *\*Capped at the Total EB \$ Amount*

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction **Adjustment**

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

**Notes**

**PAYABLE PENALTY**

Screening Date 7-Jun-2012

Docket No. 2012-1139-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 3 (September 2011)

Case ID No. 44288

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102805272

Media [Statute] Air

Enf. Coordinator Kimberly Morales

### 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> )	3	15%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	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 ( <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)** 37%

#### >> 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 three NOVs with same/similar violations, one NOV with dissimilar violations, and one order with denial of liability.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 37%

#### >> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 37%

Screening Date 7-Jun-2012

Docket No. 2012-1139-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 3 (September 2011)

Case ID No. 44288

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102805272

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F), 122.143(4), and 122.145(2)(A), Air Permit Nos. 8925, PSDTX206M1 and PSDTX432M2, Special Conditions No. 1, Federal Operating Permit No. O955, General Terms and Conditions and Special Terms and Conditions No. 9, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with permitted emission rates during a stack test conducted on December 12, 2011 on Engine 17. Specifically, it was determined that the emission rate for carbon monoxide ("CO") was 17.48 pounds per hour ("lbs/hr"), exceeding the maximum allowable emission rate of 3.30 lbs/hr. The unauthorized emissions from Engine 17 are estimated to be 15,314.4 pounds of CO from December 12, 2011 to January 26, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

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 as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

45 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$3,750

One quarterly event is recommended from the December 12, 2011 stack test to the January 26, 2012 compliance date.

Good Faith Efforts to Comply

25.0% Reduction

\$937

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

Notes

The Respondent completed corrective actions on January 26, 2012, prior to the May 8, 2012 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$31

Violation Final Penalty Total \$4,201

This violation Final Assessed Penalty (adjusted for limits) \$4,201

# Economic Benefit Worksheet

**Respondent** DCP Midstream, LP  
**Case ID No.** 44288  
**Req. Ent. Reference No.** RN102805272  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

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

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	12-Dec-2011	26-Jan-2012	0.12	\$31	n/a	\$31

Notes for DELAYED costs

Estimated cost to implement measures to comply with permitted emission rates for CO. The Date Required is the date the exceedance began. The Final Date is the date that corrective actions were 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

\$5,000

**TOTAL**

\$31

**Screening Date** 7-Jun-2012  
**Respondent** DCP Midstream, LP  
**Case ID No.** 44288  
**Reg. Ent. Reference No.** RN102805272  
**Media [Statute]** Air  
**Enf. Coordinator** Kimberly Morales

**Docket No.** 2012-1139-AIR-E

**PCW**

Policy Revision 3 (September 2011)  
 PCW Revision August 3, 2011

**Violation Number**

**Rule Cite(s)** 30 Tex. Admin. Code §§ 122.143(4) and 122.145(1)(C), Federal Operating Permit No. O955, General Terms and Conditions, and Tex. Health & Safety Code § 382.085(b)

**Violation Description**

Failed to submit a 40 Code of Federal Regulations Part 60 Subpart KKK semiannual report within 30 days after the end of the reporting period. Specifically, the reporting period ended on August 31, 2011, but the report was not submitted until October 4, 2011.

**Base Penalty**

>> **Environmental, Property and Human Health Matrix**

OR

Release	Harm		
	Major	Moderate	Minor
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Percent**

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor
<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>

**Percent**

Matrix Notes

The Respondent failed to meet 100% of the rule requirement.

**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="text" value="x"/>

**Violation Base Penalty**

One single event is recommended for the one late semiannual report.

**Good Faith Efforts to Comply**

Reduction

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

Notes: The Respondent completed corrective actions on October 4, 2011, prior to the May 8, 2012 NOE.

**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** DCP Midstream, LP  
**Case ID No.** 44288  
**Req. Ent. Reference No.** RN102805272  
**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
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No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$750	30-Sep-2011	4-Oct-2011	0.01	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to submit the semiannual report. The Date Required was the due date for the semiannual report. The Final Date is the date the semiannual report was submitted.

### 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

\$750

**TOTAL**

\$0

# Compliance History Report

Customer/Respondent/Owner-Operator:	CN601229917 DCP Midstream, LP	Classification: AVERAGE	Rating: 2.52
Regulated Entity:	RN102805272 EAST TEXAS GAS PLANT	Classification: AVERAGE	Site Rating: 5.38
ID Number(s):	INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD000836221
	INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION # (SWR)	32778
	PÉTROLEUM STORAGE TANK REGISTRATION	REGISTRATION	65913
	AIR OPERATING PERMITS	ACCOUNT NUMBER	PB0002N
	AIR OPERATING PERMITS	PERMIT	955
	AIR NEW SOURCE PERMITS	REGISTRATION	92321
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	PB0002N
	AIR NEW SOURCE PERMITS	PERMIT	8925
	AIR NEW SOURCE PERMITS	REGISTRATION	14061
	AIR NEW SOURCE PERMITS	REGISTRATION	22625
	AIR NEW SOURCE PERMITS	REGISTRATION	22648
	AIR NEW SOURCE PERMITS	REGISTRATION	23645
	AIR NEW SOURCE PERMITS	PERMIT	33627
	AIR NEW SOURCE PERMITS	REGISTRATION	33626
	AIR NEW SOURCE PERMITS	REGISTRATION	35782
	AIR NEW SOURCE PERMITS	REGISTRATION	37428
	AIR NEW SOURCE PERMITS	REGISTRATION	39015
	AIR NEW SOURCE PERMITS	REGISTRATION	39728
	AIR NEW SOURCE PERMITS	REGISTRATION	54894
	AIR NEW SOURCE PERMITS	AFS NUM	4836500003
	AIR NEW SOURCE PERMITS	EPA ID	PSDTX432M1
	AIR NEW SOURCE PERMITS	REGISTRATION	54080
	AIR NEW SOURCE PERMITS	REGISTRATION	55080
	AIR NEW SOURCE PERMITS	REGISTRATION	55155
	AIR NEW SOURCE PERMITS	REGISTRATION	38824
	AIR NEW SOURCE PERMITS	REGISTRATION	79852
	AIR NEW SOURCE PERMITS	REGISTRATION	33627
	AIR NEW SOURCE PERMITS	REGISTRATION	87470
	AIR NEW SOURCE PERMITS	REGISTRATION	96757
	AIR NEW SOURCE PERMITS	REGISTRATION	101971
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1830033
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	PB0002N

Location: 2628 UNITED STATES HIGHWAY 79 NORTH, CARTHAGE, PANOLA COUNTY TEXAS

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: June 06, 2012

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: June 06, 2007 to June 06, 2012

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

Name: Kimberly Morales Phone: (713) 422-8938

### Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? YES
2. Has there been a (known) change in ownership/operator of the site during the compliance period? NO
3. If YES, who is the current owner/operator? N/A

4. If YES, who was/were the prior owner(s)/operator(s)? N/A
5. If YES, when did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2011 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.

Effective Date: 04/11/2010 ADMINORDER 2009-1718-AIR-E

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: STC 2F OP

Description: Failure to submit the initial report within 24 hours of discovery of the event. Incident No. 121988 was discovered March 27, 2009 and the initial report was due to be submitted by March 28, 2009, but was not submitted until March 30, 2009 (2 days late). 30 TAC 101.201(a)(1) requires that the initial report be submitted within 24 hours of discovery of the event. FOP O-00955 STC 2F requires compliance with 30 TAC 101.201. 30 TAC 122.143(4) requires compliance with the conditions of the FOP.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)

Rqmt Prov: SC 1 PERMIT  
 STC 8A OP

Description: Failure to prevent unauthorized emissions during an emissions event (Incident No. 121988) at Plant 1. Since DCP failed to properly report the emissions event as described above, the affirmative defense was not met pursuant to 30 TAC 101.222(b)(1). During the event, DCP released a total of 8,559 pounds of natural gas. Plant 1 is authorized NSR by Permit No. 8925 and there is no authorization for emissions from EPN 70.

- 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 05/08/2012 (1001689)
- 2 01/15/2008 (614401)
- 3 01/25/2008 (614697)
- 4 10/22/2008 (705531)
- 5 11/24/2008 (708811)
- 6 02/11/2009 (725819)
- 7 03/25/2009 (737762)
- 8 05/05/2009 (743431)
- 9 05/28/2009 (745382)
- 10 10/13/2009 (778323)
- 11 11/04/2009 (779019)
- 12 12/22/2009 (785437)
- 13 01/11/2010 (786963)
- 14 04/27/2010 (799727)
- 15 08/31/2010 (829993)
- 16 08/25/2010 (841154)
- 17 07/28/2010 (843042)
- 18 08/09/2010 (843468)

19 01/11/2011 (880916)  
 20 01/11/2011 (886292)  
 21 02/25/2011 (899514)  
 22 03/31/2011 (906848)  
 23 04/19/2011 (912344)  
 24 08/31/2011 (948601)  
 25 10/26/2011 (963399)  
 26 03/06/2012 (989311)

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

Date: 08/31/2010 (829993) CN601229917  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Part 60, Subpart VV 60.482-6  
 5C THSC Chapter 382 382.085(b)  
 General Condition 10. PERMIT  
 Special Condition 16.E. PERMIT  
 Special Terms and Conditions 1.A. OP  
 Special Terms and Conditions 8. OP  
 Description: Failure to prevent open-ended lines.  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(ii)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 Special Terms and Conditions 8. OP  
 Description: Failure to test an engine within 7 days of an oxygen sensor replacement.  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(h)(2)  
 5C THSC Chapter 382 382.085(b)  
 Special Terms and Conditions 1.A. OP  
 Description: Failure to have less than 3% difficult to monitor (DTM) valves in Plant Three's Methanol process unit.  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(a)  
 5C THSC Chapter 382 382.085(b)  
 Special Terms and Conditions 1.A. OP  
 Description: Failure to submit the Plant 5 NSPS KKK report in a timely manner.  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 Special Terms and Conditions 1.D. OP  
 Description: Failure to submit a revised permit application to the FOP.  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Part 60, Subpart VV 60.482-6  
 5C THSC Chapter 382 382.085(b)  
 Special Terms and Conditions 1.A. OP  
 Description: Failure to equip engine blow down vents with a secondary valve.  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)  
 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6655(a)  
 5C THSC Chapter 382 382.085(b)

General Condition 10. PERMIT  
Special Condition 4. PERMIT  
Special Terms and Conditions 1.D. OP  
Special Terms and Conditions 8. OP  
Description: Failure to print daily reports for 4-hr rolling average temperatures at the catalyst inlet bed for RICE MACT units.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-9(c)  
5C THSC Chapter 382 382.085(b)  
General Condition 10. PERMIT  
Special Condition 16.H. PERMIT  
Special Terms and Conditions 1.A. OP  
Special Terms and Conditions 8. OP

Description: Failure to repair 4 leaking valves within 15 days of leak detection.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(a)(2)  
5C THSC Chapter 382 382.085(b)  
Special Terms and Conditions 1.A. OP

Description: Failure to conduct a weekly visual inspection of each pump in light liquid service.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-4(b)(2)  
40 CFR Part 60, Subpart VV 60.482-4(b)(1)  
5C THSC Chapter 382 382.085(b)  
Special Terms and Conditions 1.A. OP

Description: Failure to monitor pressure relief valves within 5 days after a release.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.7(a)(2)  
5C THSC Chapter 382 382.085(b)  
General Condition 10. PERMIT  
Special Condition 4. PERMIT  
Special Terms and Conditions 1.D. OP

Description: Failure to conduct a performance test within 180 days following unit startup.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.9(h)(2)(ii)  
5C THSC Chapter 382 382.085(b)  
General Condition 10. PERMIT  
Special Condition 4. PERMIT  
Special Terms and Conditions 1.D. OP

Description: Failure to submit initial compliance reports within 60 days.

Date: 04/25/2011 (912344) CN601229917

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.43(c)(1)

Description: Failure to provide the ground storage tank with a vent of the gooseneck or roof ventilator type.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.45(f)(7)  
Description: Failure to provide a minimum pressure tank capacity of 220 gallons.

Date: 08/31/2011 (948601) CN601229917  
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(f)(2)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP

Description: Failed to monitor Flare (EPN 72) pilot flame for 138 days during the reporting period beginning January 01, 2010 and ending December 31, 2010.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(iii)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Conditions No. 9. OP

Description: Failed to perform initial performance test on Engine No. EPN52A in a timely manner.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Dc 60.48c(g)  
5C THSC Chapter 382 382.085(b)  
Special Terms and Conditions OP

Description: Failed to record and maintain records of fuel combusted during each calendar month for Plant 5 Regen Gas Heater (EPN P5- HTR).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.10(a)(1)  
30 TAC Chapter 101, SubChapter A 101.27(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(a)  
General Terms and Conditions OP  
Special Terms and Conditions No. 2. B. OP

Description: Failed to report actual emissions to Emissions Inventory and pay emissions fees to the TCEQ for Plant 5 Regen Gas Heater (EPN P5- HTR) emissions since 1997.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
30 TAC Chapter 113, SubChapter C 113.1090  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.9(h)(2)(ii)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6610(a)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Conditions No. 5 OP

Description: Failed to submit Notifications of Compliance Status for Engine Nos. EPN11B, EPN50A and EPN G-101A within 60 days as required.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Part 60, Subpart Kb 60.110b  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP

Description: Failed to discontinue use of Tank -32 after tank seals failed. Failure to meet the requirements of 40 CFR 60.110b, Subpart Kb, for a floating roof tank after the seals failed and the roof sunk.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Part 60, Subpart KKK 60.636  
40 CFR Part 60, Subpart VV 60.482-9  
5C THSC Chapter 382 382.085(b)

General Terms and Conditions OP  
Special Terms and Conditions No. 1. A. OP  
Description: Failed to repair leaking valves that were on "Delay of Repair" list in Plant 3 and Plant 5 during the next plant shutdown.

Date: 05/08/2012 (1001689) CN601229917  
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.100  
30 TAC Chapter 113, SubChapter C 113.1090  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Conditions No.5 OP

Description: ETGP failed to meet Delta-P specifications on Engines (EPNs C-6A and 15A) for the months of March and April 2011; Engines (EPNs G-102 and 12A) for the months of January, February, March and April; Engine (EPN 13A) for the months of January, February and June; ETGP failed to meet Delta-P specifications on Engine (EPN 14B) for the month of June; Engine (EPN 50A) for the months of January, February, March, April, May and June; Engine (52A) for the months of January, February, May and June 2011.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.100  
30 TAC Chapter 113, SubChapter C 113.1090  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Conditions No. 5 OP

Description: ETGP failed to meet Delta-P specifications on Engine (EPN 49) for the months of January and November 2011; Engine (53A) for the month of November 2011; Engine (EPN 51A) for the months of January, February, May, June and July 2011; Engine (EPN 58A) for the months of June, November and December 2011.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.100  
30 TAC Chapter 113, SubChapter C 113.1090  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Conditions No. 5 OP

Description: ETGP failed to verify that engines were operating within 10 percent of the initial test horsepower during monthly Delta-P recordings for Engines (EPNs 10B, 11B, 12A, 13A, 14B, 15A, 17, 18, 19C, 48A, 49, 50A, 51A, 52A, 53A, 58A, C-6A, C-6B, G-102, G-103 and G-104A) for 2008, 2009, 2010 and the first 6 months of 2011.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(i)  
30 TAC Chapter 116, SubChapter B 116.110(a)(4)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Condition No. 9 OP

Description: ETGP failed to change oxygen sensors on Engines (EPNs 13A, 14B, 15A, 17, 19C, 51A, 52A and 53A) for the first quarter of 2011, Engines (EPNs 12A, and 58A) for the second quarter of 2011 and Engine (EPNs G-101) for the third quarter of 2011.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
30 TAC Chapter 122, SubChapter B 122.143(1)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP

Description: ETGP to document daily notations in the flare operations log of Process Flare

(EPN 66) operations on January 26, February 06, 09, and March 17, 2011.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(ii)  
30 TAC Chapter 116, SubChapter B 116.110(a)(4)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Conditions No. 9 OP

Description: ETGP failed to obtain documentation of proper operation of the engines by recorded measurement of NOx and CO emissions on Engines (EPNs 11B, 48A, 58A, C-6B, G-104A, 13A and 15A) as soon as practicable, but no later than seven days following each occurrence of engine maintenance.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)  
30 TAC Chapter 122, SubChapter B 122.143(1)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP

Description: ETGP failed to prohibit an emergency flare (EPN 72) from smoking for more than five minutes in any two-hour period from February 01 to April 4, 2011 and April 28 to May 06, 2011.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(iii)  
30 TAC Chapter 116, SubChapter B 116.110(a)(4)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Conditions No. 9 OP

Description: ETGP failed to perform initial performance test on Engine (EPN G-102A) for NOx and CO within 60 days of initial start-up.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THSC Chapter 382 382.085(b)

Description: ETGP failed to include approximately seventy-six (76) Deviations (Recordable, Non Reportable Emissions Events) that occurred between January 02 and June 29, 2011.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.100  
30 TAC Chapter 113, SubChapter C 113.1090  
30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.9(h)(2)(ii)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6645(a)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Condition No. 5 OP

Description: ETGP failed to submit a Notification of Compliance Status for Engines (EPNs 11B, 50A and G-101A) within 60 days as required.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.100  
30 TAC Chapter 113, SubChapter C 113.1090  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.9(b)(4)(v)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6645(a)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Condition No. 5 OP

Description: ETGP failed to submit the notification date of actual start-up of Engine (EPN 10C) within 15 days of the event.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)  
General Conditions OP

Special Terms and Condition No. 1. A. OP

Description: ETGP failed to repair a leak on four (4) valves (Tag Nos. 302148, 500034, 202621 and 302234) within 15 calendar days after the leak was detected.

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  
RN102805272

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

## AGREED ORDER DOCKET NO. 2012-1139-AIR-E

### I. JURISDICTION AND STIPULATIONS

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding DCP Midstream, LP ("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 together stipulate that:

1. The Respondent owns and operates a gas plant at 2628 United States Highway 79 North in Carthage, Panola 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 Executive Director 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 13, 2012.
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 Fourteen Thousand One Dollars (\$14,001) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eleven Thousand Two Hundred One Dollars (\$11,201) of the administrative penalty and Two Thousand Eight Hundred Dollars

- (\$2,800) 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 and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
  9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
    - a. By June 3, 2011, repaired and monitored eleven leaking valves (Tag Nos. 102377, 103233, 103533, 104260, 104586, 104592, 104835, 106706, 106964, 107260, and 109126) to ensure they were below the 10,000 parts per million leak rate;
    - b. On October 4, 2011, submitted a 40 CODE OF FEDERAL REGULATIONS ("CFR") Part 60 Subpart KKK semiannual report for the reporting period that ended on August 31, 2011; and
    - c. By January 26, 2012, implemented measures to comply with the carbon monoxide ("CO") hourly maximum allowable emission rate ("MAER") for Engine 17.
  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 repair valves no later than 15 days after a leak is detected, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1) and 122.143(4), Federal Operating Permit No. O955, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 1.A., 40 CFR § 60.482-7(d)(1), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted from April 2 to 12, 2012. Specifically,

from February 10 to June 3, 2011, eleven valves (Tag Nos. 102377, 103233, 103533, 104260, 104586, 104592, 104835, 106706, 106964, 107260, and 109126) were found to be leaking and were not repaired within 15 days after the leaks were detected.

2. Failed to comply with permitted emission rates during a stack test conducted on December 12, 2011 on Engine 17, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F), 122.143(4), and 122.145(2)(A), Air Permit Nos. 8925, PSDTX206M1 and PSDTX432M2, Special Conditions No. 1, Federal Operating Permit No. O955, GTC and STC No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted from April 2 to 12, 2012. Specifically, it was determined that the emission rate for CO was 17.48 pounds per hour ("lbs/hr"), exceeding the MAER of 3.30 lbs/hr. The unauthorized emissions from Engine 17 are estimated to be 15,314.4 pounds of CO from December 12, 2011 to January 26, 2012.
3. Failed to submit a 40 CFR Part 60 Subpart KKK semiannual report within 30 days after the end of the reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(1)(C), Federal Operating Permit No. O955, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted from April 2 to 12, 2012. Specifically, the reporting period ended on August 31, 2011, but the report was not submitted until October 4, 2011.

### 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. 2012-1139-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 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.
3. 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.

4. 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.
5. 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.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

*Pam Sencie J.*  
For the Executive Director

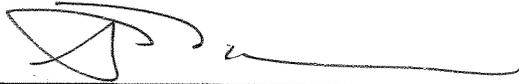
10/23/12  
Date

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

7/6/12  
Date

Paul R. Tourangeau  
Name (Printed or typed)  
Authorized Representative of  
DCP Midstream, LP

Assistant General Counsel  
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. )