

**Executive Summary – Enforcement Matter – Case No. 44202
Southern Union Pipeline, Ltd.
RN100215532
Docket No. 2012-1047-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Mivida Treater Plant, located on Ranch Road 516, approximately five and a half miles northwest of the intersection of County Road 137 and Ranch Road 516, Ward County

Type of Operation:

Gas compression and treatment plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: October 26, 2012

Comments Received: No

Penalty Information

Total Penalty Assessed: \$9,700

Amount Deferred for Expedited Settlement: \$1,940

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$7,760

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

**Executive Summary – Enforcement Matter – Case No. 44202
Southern Union Pipeline, Ltd.
RN100215532
Docket No. 2012-1047-AIR-E**

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: March 14, 2012

Date(s) of NOE(s): April 27, 2012

Violation Information

Failed to comply with the operational limitations and allowable annual emissions rates. Specifically, the combined annual operating hours for Compressor Engine Nos. 302 and 303 is limited to 8,760 hours per year and Respondent operated Compressor Engines Nos. 302 and 303 simultaneously for a total of 11,334 hours from November 1, 2010 to October 31, 2011. As a result, Respondent exceeded the annual allowable emissions rates of 83.3 tons of nitrogen oxides by 24.45 tons of nitrogen oxides, 22.22 tons of carbon monoxide by 6.52 tons of carbon monoxide, 5.56 tons of volatile organic compounds by 1.62 tons of volatile organic compounds, and 0.42 ton of particulate matter equal to or less than 10 microns in diameter by 0.12 ton of particulate matter equal to or less than 10 microns in diameter during the rolling 12-month basis from November 1, 2010 to October 31, 2011 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit No. O3186, Special Terms & Conditions No. 7, and New Source Review Permit No. 1306, Special Conditions Nos. 1 and 10].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

On April 20, 2012, Respondent permanently shut down the Waukesha 5790 amine pump, STK-Pump 3A (Compressor Engine No. 302) in order to comply with the combined annual operating hours and annual emissions rates.

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

Executive Summary – Enforcement Matter – Case No. 44202
Southern Union Pipeline, Ltd.
RN100215532
Docket No. 2012-1047-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Amancio R. Gutierrez, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-3921; Debra Barber, Enforcement Division, MC 219, (512) 239-0412

TCEQ SEP Coordinator: N/A

Respondent: Greg McIlwain, Vice President of Operations, Southern Union Pipeline, Ltd., 201 Main Street, Suite 3000, Fort Worth, Texas 76102

Mary Valencia, Air Program Supervisor, Southern Union Pipeline, Ltd., 201 Main Street, Suite 3000, Fort Worth, Texas 76102

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	30-Apr-2012	Screening	22-May-2012	EPA Due	
	PCW	22-May-2012				

RESPONDENT/FACILITY INFORMATION	
Respondent	Southern Union Pipeline, Ltd.
Reg. Ent. Ref. No.	RN100215532
Facility/Site Region	7-Midland
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	44202	No. of Violations	1
Docket No.	2012-1047-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Amancio R. Gutierrez
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$10,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1			
<small>Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.</small>			
Compliance History	22.0% Enhancement	Subtotals 2, 3, & 7	\$2,200

Notes: Enhancement for one NOV with a dissimilar violation and one order with denial of liability.

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	\$2,500
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
<small>Total EB Amounts</small>	\$61	<small>*Capped at the Total EB \$ Amount</small>	
<small>Approx. Cost of Compliance</small>	\$1,500		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$9,700
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
<small>Reduces or enhances the Final Subtotal by the indicated percentage.</small>			
Notes:			
	Final Penalty Amount	\$9,700	

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$9,700
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DEFERRAL	20.0% Reduction	Adjustment	-\$1,940
<small>Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)</small>			
Notes:	Deferral offered for expedited settlement.		

PAYABLE PENALTY	\$7,760
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Screening Date 22-May-2012

Docket No. 2012-1047-AIR-E

PCW

Respondent Southern Union Pipeline, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 44202

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100215532

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

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	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) 22%

>> 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 one NOV with a dissimilar violation and one order with denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 22%

Screening Date 22-May-2012
Respondent Southern Union Pipeline, Ltd.
Case ID No. 44202
Reg. Ent. Reference No. RN100215532
Media [Statute] Air
Enf. Coordinator Amancio R. Gutierrez

Docket No. 2012-1047-AIR-E

PCW

Policy Revision 2 (September 2002)
 PCW Revision October 30, 2008

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit No. O3186, Special Terms & Conditions No. 7, and New Source Review Permit No. 1306, Special Conditions Nos. 1 and 10

Violation Description

Failed to comply with the operational limitations and allowable annual emissions rates. Specifically, the combined annual operating hours for Compressor Engine Nos. 302 and 303 is limited to 8,760 hours per year and the Respondent operated Compressor Engines Nos. 302 and 303 simultaneously for a total of 11,334 hours from November 1, 2010 to October 31, 2011. As a result, the Respondent exceeded the annual allowable emissions rates of 83.3 tons of nitrogen oxides by 24.45 tons of nitrogen oxides, 22.22 tons of carbon monoxide by 6.52 tons of carbon monoxide, 5.56 tons of volatile organic compounds by 1.62 tons of volatile organic compounds, and 0.42 ton of particulate matter equal to or less than 10 microns in diameter by 0.12 ton of particulate matter equal to or less than 10 microns in diameter during the rolling 12-month basis from November 1, 2010 to October 31, 2011.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual			X	25%	
Potential					

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
				0%	

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 4 364 Number of violation days

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

Violation Base Penalty \$10,000

Four quarterly events are recommended from November 1, 2010 through October 31, 2011.

Good Faith Efforts to Comply

25.0% Reduction

\$2,500

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

Notes

The Respondent began operating according to permit requirements on April 20, 2012, before the April 27, 2012 NOE date.

Violation Subtotal \$7,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$61

Violation Final Penalty Total \$9,700

This violation Final Assessed Penalty (adjusted for limits) \$9,700

Economic Benefit Worksheet

Respondent Southern Union Pipeline, Ltd.
Case ID No. 44202
Reg. Ent. Reference No. RN100215532
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				0.00	\$0	n/a	\$0
Training/Sampling	\$1,500	30-Jun-2011	20-Apr-2012	0.81	\$61	n/a	\$61
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 expense to shutdown the Waukesha 5790 amine pump, STK-Pump 3A. The Date Required is the date of non-compliance and the Final Date is the 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

\$1,500

TOTAL

\$61

Compliance History Report

Customer/Respondent/Owner-Operator: CN603024811 Southern Union Pipeline, Ltd. Classification: AVERAGE Rating: 1.53

Regulated Entity: RN100215532 MIVIDA TREATER PLANT Classification: AVERAGE Site Rating: 5.75

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	WC0014E
AIR OPERATING PERMITS	PERMIT	3186
AIR OPERATING PERMITS	PERMIT	3186
AIR NEW SOURCE PERMITS	PERMIT	1306
AIR NEW SOURCE PERMITS	PERMIT	19856
AIR NEW SOURCE PERMITS	REGISTRATION	20934
AIR NEW SOURCE PERMITS	REGISTRATION	48022
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	WC0014E
AIR NEW SOURCE PERMITS	AFS NUM	4847500007
AIR NEW SOURCE PERMITS	REGISTRATION	77239
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	WC0014E

Location: ON RANCH ROAD 516, APPROXIMATELY FIVE AND A HALF MILES NORTHWEST OF THE INTERSECTION OF COUNTY ROAD 137 AND RANCH ROAD 516 IN WARD COUNTY, TEXAS

TCEQ Region: REGION 07 - MIDLAND

Date Compliance History Prepared: May 22, 2012

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: May 22, 2007 to May 22, 2012

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Amancio R. Gutierrez Phone: (512) 239-3921

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: 08/23/2007 ADMINORDER 2007-0008-AIR-E
Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter F 122.503(a)(1)
Description: The failure to submit a GOP revision application to the APD following a major change in the mode of operation as authorized by Standard Permit 77239.

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 04/24/2012 (1001251)
- 2 10/18/2007 (598379)
- 3 02/27/2009 (736353)
- 4 05/18/2010 (782951)
- 5 07/29/2010 (842622)
- 6 01/03/2011 (885998)
- 7 02/10/2011 (895399)

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

Date: 01/07/2011 (885998) CN603024811
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 3(A)(iv)(1) OP
Description: Failure to conduct quarterly visible emissions observation during the 2nd and 3rd quarters as required by
Special Condition 3(A)(iv)(1) of SOP 3186.

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
SOUTHERN UNION PIPELINE,
LTD.
RN100215532

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

AGREED ORDER
DOCKET NO. 2012-1047-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 Southern Union Pipeline, Ltd. ("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 compression and treatment plant on Ranch Road 516, approximately five and a half miles northwest of the intersection of County Road 137 and Ranch Road 516 in Ward 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 2, 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 Nine Thousand Seven Hundred Dollars (\$9,700) is assessed by the Commission in settlement of the violations alleged in Section

- II ("Allegations"). The Respondent has paid Seven Thousand Seven Hundred Sixty Dollars (\$7,760) of the administrative penalty and One Thousand Nine Hundred Forty Dollars (\$1,940) 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 on April 20, 2012, the Respondent permanently shut down the Waukesha 5790 amine pump, STK-Pump 3A (Compressor Engine No. 302) in order to comply with the combined annual operating hours and annual emissions rates.
 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 comply with the operational limitations and allowable annual emissions rates, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit No. O3186, Special Terms & Conditions No. 7, and New Source Review Permit No. 1306, Special Conditions Nos. 1 and 10, as documented during an investigation conducted on March 14, 2012. Specifically, the combined annual operating hours for Compressor Engine Nos. 302 and 303 is limited to 8,760 hours per year and the Respondent operated Compressor Engines Nos. 302 and 303 simultaneously for a total of 11,334 hours from November 1, 2010 to October 31, 2011. As a result, the Respondent exceeded the annual allowable emissions rates of 83.3 tons of nitrogen oxides by 24.45 tons of nitrogen oxides, 22.22 tons of carbon monoxide by 6.52 tons of carbon monoxide, 5.56 tons of volatile organic compounds by 1.62 tons of volatile organic compounds, and 0.42 ton of particulate matter equal to or less than 10 microns in diameter by 0.12 ton of particulate matter equal to or less than 10 microns in diameter during the rolling 12-month basis from November 1, 2010 to October 31, 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: Southern Union Pipeline, Ltd., Docket No. 2012-1047-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


For the Executive Director

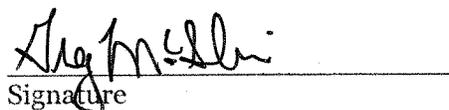
12/7/12
Date

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

8/21/12
Date

GREG McILWAIN
Name (Printed or typed)
Authorized Representative of
Southern Union Pipeline, Ltd.

VP OPERATIONS
Title

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