

Executive Summary – Enforcement Matter – Case No. 44287

Pecan Pipeline Company

RN105476691

Docket No. 2012-1168-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Kripple Kreek Gas Plant, 1988 Briar Creek Road, Bowie, Montague County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: October 26, 2012

Comments Received: No

Penalty Information

Total Penalty Assessed: \$16,250

Amount Deferred for Expedited Settlement: \$3,250

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$13,000

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. 44287

Pecan Pipeline Company

RN105476691

Docket No. 2012-1168-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: April 10, 2012

Date(s) of NOE(s): May 22, 2012

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, Respondent released 129.35 pounds of volatile organic compounds (“VOC”) from the thermal oxidizer, Emission Point Number (“EPN”) INC-1, during an emissions event (Incident No. 166600) that began on March 3, 2011 and lasted eight hours and 40 minutes. The emissions event occurred due to the failure of electrical components that caused the thermal oxidizer to shut down. Emissions from upsets, emergencies, or malfunctions are not authorized by the standard permit. Since this emissions event was not reported, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.615(1) and 122.143(4); Standard Permit Registration No. 84338; Federal Operating Permit (“FOP”) No. O3240/General Operating Permit (“GOP”) No. 514, Site-wide requirements (“SWR”) (b)(2) and (b)(8)(E)(ii); and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to determine if Incident No. 166600 was reportable and submit an initial notification within 24 hours after discovery of the emissions event [30 TEX. ADMIN. CODE § 101.201(a) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to prevent unauthorized emissions. Specifically, Respondent released 113.14 pounds of VOC from the thermal oxidizer, EPN INC-1, during an emissions event (Incident No. 166603) that began on October 26, 2011 and lasted three hours and 14 minutes. The emissions event occurred due to the failure of electrical components that caused the thermal oxidizer to shut down. Emissions from upsets, emergencies, or malfunctions are not authorized by the standard permit. Since this emissions event was not reported, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.615(1) and 122.143(4); Standard Permit Registration No. 84338; FOP No. O3240/GOP No. 514, SWR (b)(2) and (b)(8)(E)(ii); and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to determine if Incident No. 166603 was reportable and submit an initial notification within 24 hours after discovery of the emissions event [30 TEX. ADMIN. CODE § 101.201(a) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Executive Summary – Enforcement Matter – Case No. 44287
Pecan Pipeline Company
RN105476691
Docket No. 2012-1168-AIR-E

Technical Requirements:

The Order will require Respondent to:

- a. Within 30 days:
 - i. Implement measures and procedures designed to prevent the recurrence of emissions events due to similar causes as Incident Nos. 166600 and 166603; and
 - ii. Implement measures and procedures designed to ensure emissions events are properly reported.
- b. Within 45 days, submit written certification demonstrating compliance.

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: Raymond L. Ingle, President, Pecan Pipeline Company, P.O. Box 4362, Houston, Texas 77210-4362
Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

DATES	Assigned PCW	29-May-2012	Screening	7-Jun-2012	EPA Due	
		22-Jun-2012				

RESPONDENT/FACILITY INFORMATION	
Respondent	Pecan Pipeline Company
Reg. Ent. Ref. No.	RN105476691
Facility/Site Region	3-Abilene
Major/Minor Source	Major

CASE INFORMATION		No. of Violations	2
Enf./Case ID No.	44287	Order Type	1660
Docket No.	2012-1168-AIR-E	Government/Non-Profit	No
Media Program(s)	Air	Enf. Coordinator	Kimberly Morales
Multi-Media		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

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

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. 2012-1168-AIR-E

PCW

Respondent Pecan Pipeline Company

Policy Revision 2 (September 2002)

Case ID No. 44287

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105476691

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>)	6	30%
	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%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2)

>> Repeat Violator (Subtotal 3)

Adjustment Percentage (Subtotal 3)

>> Compliance History Person Classification (Subtotal 7)

Adjustment Percentage (Subtotal 7)

>> Compliance History Summary

Compliance History Notes

Enhancement for six NOVs with same/similar violations.

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

Screening Date 7-Jun-2012

Docket No. 2012-1168-AIR-E

PCW

Respondent Pecan Pipeline Company

Policy Revision 2 (September 2002)

Case ID No. 44287

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN105476691

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 116.615(1) and 122.143(4); Standard Permit Registration No. 84338; Federal Operating Permit No. O3240/General Operating Permit No. 514, Site-wide requirements (b)(2) and (b)(8)(E)(ii); and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 129.35 pounds of volatile organic compounds from the thermal oxidizer, Emission Point Number INC-1, during an emissions event (Incident No. 166600) that began on March 3, 2011 and lasted eight hours and 40 minutes. The emissions event occurred due to the failure of electrical components that caused the thermal oxidizer to shut down. Emissions from upsets, emergencies, or malfunctions are not authorized by the standard permit. Since this emissions event was not reported, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

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 1

1 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$2,500

One quarterly event is recommended.

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 \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$50

Violation Final Penalty Total \$3,250

This violation Final Assessed Penalty (adjusted for limits) \$3,250

Economic Benefit Worksheet

Respondent Pecan Pipeline Company
Case ID No. 44287
Reg. Ent. Reference No. RN105476691
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				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)	\$500	3-Mar-2011	23-Feb-2013	1.98	\$50	n/a	\$50

Notes for DELAYED costs

Estimated cost to implement measures and procedures designed to prevent the recurrence of similar emissions events. The Date Required is the date of the emissions event. The Final Date is the date that 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

\$500

TOTAL

\$50

Screening Date 7-Jun-2012
Respondent Pecan Pipeline Company
Case ID No. 44287
Reg. Ent. Reference No. RN105476691
Media [Statute] Air
Enf. Coordinator Kimberly Morales

Docket No. 2012-1168-AIR-E

PCW

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

Violation Number

Rule Cite(s)

30 Tex. Admin. Code § 101.201(a) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to determine if Incident No. 166600 was reportable and submit an initial notification within 24 hours after discovery of the emissions event.

Base Penalty

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

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

>> **Programmatic Matrix**

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

Matrix Notes

The Respondent failed to comply with 100% of the rule requirements.

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x	daily	<input type="checkbox"/>
	weekly	<input type="checkbox"/>
	monthly	<input type="checkbox"/>
	quarterly	<input type="checkbox"/>
	semiannual	<input type="checkbox"/>
	annual	<input type="checkbox"/>
	single event	<input checked="" type="checkbox"/>

Violation Base Penalty

One single event is recommended.

Good Faith Efforts to Comply

Reduction

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="checkbox"/>	(mark with x)

Notes

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

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 Pecan Pipeline Company
Case ID No. 44287
Reg. Ent. Reference No. RN105476691
Media Air
Violation No. 2

Percent Interest 5.0
Years of Depreciation 15

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

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	4-Mar-2011	23-Feb-2013	1.98	\$49	n/a	\$49

Notes for DELAYED costs
 Estimated cost to implement measures and procedures designed to ensure emissions events are properly reported. The Date Required is the date the initial notification was due. The Final Date is the date that corrective actions are expected to be 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
 (Empty box for notes)

Approx. Cost of Compliance \$500 **TOTAL** \$49



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	29-May-2012	Screening	7-Jun-2012	EPA Due	
	PCW	22-Jun-2012				

RESPONDENT/FACILITY INFORMATION

Respondent	Pecan Pipeline Company		
Reg. Ent. Ref. No.	RN105476691		
Facility/Site Region	3-Abilene	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	44287	No. of Violations	2	
Docket No.	2012-1168-AIR-E	Order Type	1660	
Media Program(s)	Air	Government/Non-Profit	No	
Multi-Media		Enf. Coordinator	Kimberly Morales	
		EC's Team	Enforcement Team 5	
Admin. Penalty \$ Limit	Minimum	\$0	Maximum	\$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. 2012-1168-AIR-E

PCW

Respondent Pecan Pipeline Company

Policy Revision 3 (September 2011)

Case ID No. 44287

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN105476691

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>)	6	30%
	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) 30%

>> 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 six NOVs with same/similar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 30%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 30%

Screening Date 7-Jun-2012

Docket No. 2012-1168-AIR-E

PCW

Respondent Pecan Pipeline Company

Policy Revision 3 (September 2011)

Case ID No. 44287

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN105476691

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.615(1) and 122.143(4); Standard Permit Registration No. 84338; Federal Operating Permit No. O3240/General Operating Permit No. 514, Site-wide requirements (b)(2) and (b)(8)(E)(ii); and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 113.14 pounds of volatile organic compounds from the thermal oxidizer, Emission Point Number INC-1, during an emissions event (Incident No. 166603) that began on October 26, 2011 and lasted three hours and 14 minutes. The emissions event occurred due to the failure of electrical components that caused the thermal oxidizer to shut down. Emissions from upsets, emergencies, or malfunctions are not authorized by the standard permit. Since this emissions event was not reported, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

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

Number of violation days 1

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.

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 \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$33

Violation Final Penalty Total \$4,875

This violation Final Assessed Penalty (adjusted for limits) \$4,875

Economic Benefit Worksheet

Respondent Pecan Pipeline Company
Case ID No. 44287
Reg. Ent. Reference No. RN105476691
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				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)	\$500	26-Oct-2011	23-Feb-2013	1.33	\$33	n/a	\$33

Notes for DELAYED costs

Estimated cost to implement measures and procedures designed to prevent the recurrence of similar emissions events. The Date Required is the date of the emissions event. The Final Date is the date that 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 \$500

TOTAL \$33

Screening Date 7-Jun-2012

Docket No. 2012-1168-AIR-E

PCW

Respondent Pecan Pipeline Company

Policy Revision 3 (September 2011)

Case ID No. 44287

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN105476691

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 101.201(a) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to determine if Incident No. 166603 was reportable and submit an initial notification within 24 hours after discovery of the emissions event.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirements.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$3,750

One single event is recommended.

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 \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$4,875

This violation Final Assessed Penalty (adjusted for limits) \$4,875

Economic Benefit Worksheet

Respondent Pecan Pipeline Company
Case ID No. 44287
Reg. Ent. Reference No. RN105476691
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				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

The economic benefit for this violation is included in Violation No. 2 in the other Penalty Calculation Worksheet.

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

\$0

TOTAL

\$0

Compliance History Report

Customer/Respondent/Owner-Operator: CN603332263 Pecan Pipeline Company Classification: AVERAGE Rating: 2.66

Regulated Entity: RN105476691 KRIPPLE CREEK GAS PLANT Classification: AVERAGE Site Rating: 3.75

ID Number(s): AIR NEW SOURCE PERMITS REGISTRATION 84338
AIR NEW SOURCE PERMITS AFS NUM 4833700012
AIR NEW SOURCE PERMITS ACCOUNT NUMBER MPA001A
AIR OPERATING PERMITS PERMIT 3240
AIR EMISSIONS INVENTORY ACCOUNT NUMBER MPA001A

Location: 1988 BRIAR CREEK ROAD, BOWIE, MONTAGUE COUNTY, TEXAS

TCEQ Region: REGION 03 - ABILENE

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.
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	04/30/2012	(1000860)
2	05/03/2012	(1001606)
3	06/10/2010	(800335)
4	07/26/2010	(841178)
5	03/31/2011	(901850)
6	05/06/2011	(907494)
7	05/13/2011	(915565)

8 06/22/2011 (924268)
 9 07/20/2011 (936338)
 10 10/19/2011 (949123)
 11 11/14/2011 (963797)
 12 11/14/2011 (963800)
 13 12/05/2011 (968827)
 14 01/17/2012 (971226)
 15 03/14/2012 (988956)
 16 04/27/2012 (995114)
 17 05/22/2012 (996098)

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

Date: 06/10/2010 (800335) CN603332263
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.620(a)(14)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4245(d)
 Description: Pecan Pipeline Co. failed to submit initial engine performance test results to the TCEQ within 60 days of the compliance test.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.615(4)
 30 TAC Chapter 116, SubChapter F 116.620(a)(14)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 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)
 Description: Pecan Pipeline Co. failed to submit start of construction notifications in accordance with 40 CFR 60.7(a)(1).

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.620(a)(4)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.8(d)
 Description: Pecan Pipeline Co. failed to submit notification of engine performance testing within 30 days prior to the testing as required.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.620(a)(14)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(a)(3)
 Description: Pecan Pipeline Co. failed to submit start of operation notifications for 40 CFR Subparts Dc and KKK.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.620(e)(6)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Description: Pecan Pipeline Co. failed to monitor process gas for total sulfur content as required by 30 TAC 116.620(e)(6).

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.620(c)(2)(E)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Description: Pecan Pipeline Co. failed to conduct weekly audible, visual, and olfactory (AVO) inspection of plant flanges.

Date: 03/31/2011 (901850) CN603332263
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)
 30 TAC Chapter 116, SubChapter B 116.110(a)
 5C THSC Chapter 382 382.085(b)
 Description: Pecan Pipeline Company failed to identify all individually listed compounds or mixtures released during the February 1-5, 2011, Emission Event (Incident #150064) at the Kripple Kreek Gas Plant on the Final Report as required by 30 TAC 101.201(b)(1)(G).

Date: 05/06/2011 (907494) CN603332263
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter W 106.512(2)(C)(iii)
30 TAC Chapter 116, SubChapter F 116.620(a)(4)
30 TAC Chapter 122, SubChapter B 122.143(4)
GOP 514 (b)(7)(D)(xlvii) OP
GOP 514 (b)(7)(F)(ii) OP
Description: Pecan Pipeline Co. failed to conduct initial engine performance test on three engines within 60 days of startup as required by 30 TAC 116.620(a)(4).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
GOP 514 (b)(2) OP
Description: Pecan Pipeline Co. failed to submit a complete and accurate deviation report for the February 2009 through August 2009 deviation period as required by 30 TAC 122.145(2)(A).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter F 116.620(a)(14)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Dc 60.48c(g)(1)
GOP 514 (c)(16) OP
Description: Pecan Pipeline Co. failed to monitor and record fuel gas flow to the hot oil heaters as required by 40 CFR 60.48c(g)(1), which states that the owner or operator of each affected facility shall record and maintain records of the amount of each fuel combusted during each operating day.

Date: 10/19/2011 (949123) CN603332263
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)
5C THSC Chapter 382 382.085(b)
Description: Pecan Pipeline Company failed to identify all individually listed compounds or mixtures released during the July 26-27 and 30, 2011, Emissions Events (Incident #157329 and #157447) at the Kripple Kreek Gas Plant on the Final Report as required by 30 TAC 101.201(b)(1)(G).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)
5C THSC Chapter 382 382.085(b)
Description: Pecan Pipeline Company failed to maintain emissions from the Kripple Kreek Gas Plant in accordance with the certified registration of emissions for the site.

Date: 03/14/2012 (988956) CN603332263
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THSC Chapter 382 382.085(b)
Description: Pecan Pipeline Company failed to submit an Initial Notification for the January 30, 2012 emissions event within 24 hours of discovery as required by 30 TAC 101.201(a)(1)(B).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)
5C THSC Chapter 382 382.085(b)
Description: Pecan Pipeline Company failed to maintain emissions from the Kripple Kreek Gas Plant in accordance with the certified registration of emissions for the site.

Date: 04/27/2012 (995114) CN603332263
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter F 116.615(10)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(a)(3)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Dc 60.48c(a)
5C THSC Chapter 382 382.085(b)

Description: GOP 514 (b)(15)(A) OP
 Pecan Pipeline Co. failed to submit the initial startup notifications in accordance with 40 CFR 60.7(a)(3), for Hot Oil Heaters HTR-4 and HTR-6, as required by 40 CFR 60.48c(a).

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.615(10)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Dc 60.48c(g)(1)
 GOP 514 (c)(16) OP

Description: Pecan Pipeline Co. failed to monitor and record fuel gas flow for Hot Oil Heater HTR-6, as required by 40 CFR 60.48c(g)(1).

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.615(10)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4243(b)(2)(ii)
 5C THSC Chapter 382 382.085(b)
 GOP 514 (c)(24) OP

Description: Pecan Pipeline Co. failed to conduct engine performance testing on Engine 1 (C-6701, Serial #WPW02274) within three years or 8,760 hours of the previous test, as required by 40 CFR 60.4243(b)(2)(ii).

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.615(10)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.8(d)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4246
 5C THSC Chapter 382 382.085(b)
 GOP 514 (c)(24) OP

Description: Pecan Pipeline Co. failed to submit notice of engine performance testing in accordance with 40 CFR 60.8(d), for Engines 6, 7 and 8, as required by 40 CFR 60.4246.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.615(10)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJJ 60.4245(d)
 5C THSC Chapter 382 382.085(b)
 GOP 514 (c)(24) OP

Description: Pecan Pipeline Co. failed to submit initial engine performance test results for Engines 6, 7, 8, and 9, within 60 days after the compliance tests, as required by 40 CFR 60.4245(d).

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.615(10)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 Condition (f)(5)(a) PERMIT
 GOP 514 (b)(8)(B) OP

Description: Pecan Pipeline Co. failed to submit a Standard Permit revision application within 90 days after the replacement of the thermal oxidizer, as required by Condition (f)(5)(a) of the Oil and Gas Standard Permit.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 GOP 514 (b)(8)(B) OP

Description: Pecan Pipeline Co. failed to represent the actual design parameters and emissions associated with Hot Oil Heaters HTR-4 and HTR-6 in the Standard Permit application, and failed to provide notice of the changes, as required by 30 TAC 116.615(2).

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
 5C THSC Chapter 382 382.085(b)
 GOP 514 (b)(2) OP

Description: Pecan Pipeline Co. failed to submit a complete and accurate deviation report for the August 10, 2011 to February 9, 2012 deviation period, as required by 30 TAC 122.145(2)(A).

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
RN105476691

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

AGREED ORDER
DOCKET NO. 2012-1168-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 Pecan Pipeline Company ("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 natural gas processing plant at 1988 Briar Creek Road in Bowie, Montague 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 27, 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 Sixteen Thousand Two Hundred Fifty Dollars (\$16,250) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirteen Thousand Dollars (\$13,000) of the administrative penalty and Three Thousand Two Hundred Fifty Dollars (\$3,250) 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 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 Plant, the Respondent is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.615(1) and 122.143(4); Standard Permit Registration No. 84338; Federal Operating Permit ("FOP") No. O3240/General Operating Permit ("GOP") No. 514, Site-wide requirements ("SWR") (b)(2) and (b)(8)(E)(ii); and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 10, 2012. Specifically, the Respondent released 129.35 pounds of volatile organic compounds ("VOC") from the thermal oxidizer, Emission Point Number ("EPN") INC-1, during an emissions event (Incident No. 166600) that began on March 3, 2011 and lasted eight hours and 40 minutes. The emissions event occurred due to the failure of electrical components that caused the thermal oxidizer to shut down. Emissions from upsets, emergencies, or malfunctions are not authorized by the standard permit. Since this emissions event was not reported, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
2. Failed to determine if Incident No. 166600 was reportable and submit an initial notification within 24 hours after discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 10, 2012.

3. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.615(1) and 122.143(4); Standard Permit Registration No. 84338; FOP No. O3240/GOP No. 514, SWR (b)(2) and (b)(8)(E)(ii); and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 10, 2012. Specifically, the Respondent released 113.14 pounds of VOC from the thermal oxidizer, EPN INC-1, during an emissions event (Incident No. 166603) that began on October 26, 2011 and lasted three hours and 14 minutes. The emissions event occurred due to the failure of electrical components that caused the thermal oxidizer to shut down. Emissions from upsets, emergencies, or malfunctions are not authorized by the standard permit. Since this emissions event was not reported, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
4. Failed to determine if Incident No. 166603 was reportable and submit an initial notification within 24 hours after discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 10, 2012.

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. 2012-1168-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 measures and procedures designed to prevent the recurrence of emissions events due to similar causes as Incident Nos. 166600 and 166603; and

- ii. Implement measures and procedures designed to ensure emissions events are properly reported.
- 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 No. 2.a. 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 Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not

effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Paul Jancin
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.

R L Ingle
Signature

23 Aug 2012
Date

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

President
Title

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