

Executive Summary – Enforcement Matter – Case No. 44883

DCP Midstream, LP

RN100219955

Docket No. 2012-1772-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

Unauthorized emissions which are excessive emissions events.

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

DCP Midstream Sherhan Plant, 15150 County Road 9, Gruver, Hansford 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: February 1, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$25,000

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$12,500

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$12,500

Name of SEP: Borger Independent School District

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: Yes

Statutory Limit Adjustment: \$18,750

Applicable Penalty Policy: September 2011

Executive Summary – Enforcement Matter – Case No. 44883

DCP Midstream, LP

RN100219955

Docket No. 2012-1772-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: July 20-26, 2012

Date(s) of NOE(s): August 13, 2012

Violation Information

Failed to prevent unauthorized emissions. Since this emissions event was avoidable, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.22 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Air Permit No. 73394, Special Conditions No. 1, Federal Operating Permit No. O2569, Special Terms and Conditions No. 8, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

On May 1, 2012, Respondent trained operators to ensure that the correct procedures are followed in order to prevent the recurrence of emissions events due to same or similar causes as Incident No. 166867.

Technical Requirements:

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

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Nadia Hameed, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3629; Debra Barber, Enforcement Division, MC 219, (512) 239-0412

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

Executive Summary – Enforcement Matter – Case No. 44883
DCP Midstream, LP
RN100219955
Docket No. 2012-1772-AIR-E

Respondent: D.J. Dean, Vice President of Operations, DCP Midstream, LP, 370 17th Street, Suite 2500, Denver, Colorado 80202
Garrett Scribner, Senior Environmental Specialist, DCP Midstream, LP, 9101 Highway 136, Borger, Texas 79007
Respondent's Attorney: N/A

Attachment A
Docket Number: 2012-1772-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	DCP Midstream, LP
Penalty Amount:	Twenty-Five Thousand Dollars (\$25,000)
SEP Offset Amount:	Twelve Thousand Five Hundred Dollars (\$12,500)
Type of SEP:	Contribution to a Pre-Approved Third-Party Recipient
Third-Party Recipient:	Borger Independent School District ("ISD")
Project Name:	<i>Borger ISD Clean School Bus Replacement Program</i>
Location of SEP:	Hansford County; Texas Air Quality Control Region 211 - Amarillo - Lubbock

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Recipient and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Recipient shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project and no portion will be spent on administrative costs.

DCP Midstream, LP
Agreed Order - Attachment A

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

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient. Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution, with a copy of the Agreed Order to:

Borger Independent School District
200 East Ninth Street
Borger, Texas 79008-1177

3. Records and Reporting

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

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

DCP Midstream, LP
Agreed Order - Attachment A

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP agreement in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of Respondent, must include a clear statement that the Project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned PCW	20-Aug-2012	Screening	28-Aug-2012	EPA Due	9-Apr-2013
--------------	---------------------	-------------	------------------	-------------	----------------	------------

RESPONDENT/FACILITY INFORMATION	
Respondent	DCP Midstream, LP
Reg. Ent. Ref. No.	RN100219955
Facility/Site Region	1-Amarillo
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	44883	No. of Violations	1
Docket No.	2012-1772-AIR-E	Order Type	Findings
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Nadia Hameed
		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** **\$25,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$25,000**

Notes: Enhancement for four NOVs with same/similar violations, three orders with denial of liability, and one order without denial of liability. Reduction for one notice of intent to conduct an audit.

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

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$6,250**

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

Total EB Amounts **\$3**
 Approx. Cost of Compliance **\$1,000**
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$43,750**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$43,750**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$25,000**

DEFERRAL **0.0%** Reduction **Adjustment** **\$0**

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

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY **\$25,000**

Screening Date 28-Aug-2012

Docket No. 2012-1772-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 3 (September 2011)

Case ID No. 44883

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100219955

Media [Statute] Air

Enf. Coordinator Nadia Hameed

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>)	4	20%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	3	60%
	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	1	25%
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>)	1	-1%
	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) 104%

>> **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 four NOVs with same/similar violations, three orders with denial of liability, and one order without denial of liability. Reduction for one notice of intent to conduct an audit.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 104%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 100%

Screening Date 28-Aug-2012
Respondent DCP Midstream, LP
Case ID No. 44883
Reg. Ent. Reference No. RN100219955
Media [Statute] Air
Enf. Coordinator Nadia Hameed
Violation Number 1

Docket No. 2012-1772-AIR-E

PCW

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

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Air Permit No. 73394, Special Conditions No. 1, Federal Operating Permit No. O2569, Special Terms and Conditions No. 8, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 17,094 pounds ("lbs") of propane, 8,575 lbs of n-butane, 2,861 lbs of iso-pentane, 3,723 lbs of n-pentane, 3,248 lbs of iso-butane, 8,108 lbs of hexane and 71 lbs of hydrogen sulfide from a pressure relief valve on the M-Line receiver at the Sherhan Plant during an emissions event (Incident No. 166867) that began on April 7, 2012 and lasted for 45 minutes. The emissions event occurred when a valve on the Plant power cooling engine system was left in the open position by an operator. This led to a sequence of events which resulted in the activation of the Plant's emergency shutdown system. Since this emissions event was avoidable, 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			Percent
	Major	Moderate	Minor	
Actual	x			100.0%
Potential				

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
				0.0%

Matrix Notes Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$25,000

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

daily	x
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$25,000

One daily event is recommended.

Good Faith Efforts to Comply

25.0% Reduction
 Before NOV NOV to EDPRP/Settlement Offer

\$6,250

Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent completed the corrective actions on May 1, 2012, prior to the August 13, 2012, NOE.

Violation Subtotal \$18,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$3

Violation Final Penalty Total \$43,750

This violation Final Assessed Penalty (adjusted for limits) \$25,000

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 44883
Reg. Ent. Reference No. RN100219955
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	\$1,000	7-Apr-2012	1-May-2012	0.07	\$3	n/a	\$3
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 for training to ensure that the operators follow the correct procedures. The Date Required is the date of the emissions event and the Final Date is the date the 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

\$1,000

TOTAL

\$3

Compliance History Report

Customer/Respondent/Owner-Operator: CN601229917 DCP Midstream, LP Classification: AVERAGE Rating: 2.54

Regulated Entity: RN100219955 DCP MIDSTREAM SHERHAN PLANT Classification: AVERAGE Site Rating: 13.92

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	HD0014P
AIR OPERATING PERMITS	PERMIT	2569
PETROLEUM STORAGE TANK	REGISTRATION	17126
REGISTRATION		
AIR NEW SOURCE PERMITS	REGISTRATION	16136
AIR NEW SOURCE PERMITS	REGISTRATION	16230
AIR NEW SOURCE PERMITS	REGISTRATION	34243
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HD0014P
AIR NEW SOURCE PERMITS	AFS NUM	4819500006
AIR NEW SOURCE PERMITS	PERMIT	73394
AIR NEW SOURCE PERMITS	REGISTRATION	43823
AIR NEW SOURCE PERMITS	REGISTRATION	81696
PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	0980008
WATER LICENSING	LICENSE	0980008
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	HD0014P

Location: 15150 COUNTY ROAD 9, GRUVER, TX, 79040

TCEQ Region: REGION 01 - AMARILLO

Date Compliance History Prepared: August 27, 2012

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: August 27, 2007 to August 27, 2012

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

Name: Nadia Hameed Phone: 713-767-3629

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: 10/04/2007

ADMINORDER 2007-0124-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.10

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to include flash emissions from EPNs: TNKSLP12, TNKSLP13 and TNKSLP16 in the emissions inventory questionnaire report dated January 23, 2006.

Classification: Moderate

Citation: 2A TWC Chapter 5, SubChapter A 5.702

30 TAC Chapter 101, SubChapter A 101.27

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to pay emission fees for flash emissions for EPNs: TNKSLP12, TNKSLP13 and TNKSLP16.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter A 106.4(c)

30 TAC Chapter 106, SubChapter W 106.512(2)(B)

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to properly operate and maintain the air/fuel ratio controller in good condition for ENG-2.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter A 382.0518(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to apply for renewal of permit number 19317, but continued operation of ENG-39, ENG-40 and INC-SA after the permit expired on August 11, 2004.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(e)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to operate the flare with a flame present at all times as required in 40 CFR §60.18(c) (2) and when emissions may be vented to them as required in 40 CFR §60.18(e).

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to include noncompliance issues discovered during this investigation in the deviation report submitted on July 27, 2006.

Effective Date: 10/06/2008 ADMINORDER 2008-0695-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.1090
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6600(a)
5C THSC Chapter 382 382.085(b)

Description: Failure to reduce Formaldehyde emissions by 76% or more or limit the concentration of Formaldehyde to 350 ppb or less at 15% Oxygen.

Effective Date: 08/23/2009 ADMINORDER 2009-0123-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.1090
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6600(a)
5C THSC Chapter 382 382.085(b)

Description: Failure to limit the Formaldehyde concentration to 350 parts per billion ("ppb") or less at 15% oxygen or to reduce the formaldehyde emissions by 76% or more for a reciprocating internal combustion engine ("RICE"). Specifically, a test conducted on October 7, 2008 on RICE Emission Point ("EPN") ENG 1 showed 1212.07 ppb at 15% oxygen and formaldehyde efficiency at 74.31%.

Effective Date: 08/13/2011 ADMINORDER 2011-0281-AIR-E

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special condition (2)(F) OP

Description: Failed to submit a timely notification of a reportable emissions event.

Classification: Moderate

Citation: 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: Special condition (1) PERMIT
Special condition 8 OP

Description: Failed to prevent unauthorized emissions during emissions event number 146887.

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

10/11/2007 (595176)

2 10/16/2007 (598044)

3 11/19/2007 (600856)
 4 03/31/2008 (640365)
 5 03/31/2008 (640440)
 6 04/24/2008 (653935)
 7 04/24/2008 (653985)
 8 05/15/2008 (671089)
 9 05/15/2008 (671151)
 10 06/24/2008 (684073)
 11 06/24/2008 (684075)
 12 07/23/2008 (685753)
 13 07/23/2008 (685760)
 14 07/23/2008 (685980)
 15 07/23/2008 (686043)
 16 09/09/2008 (687556)
 17 09/09/2008 (687558)
 18 09/08/2008 (687579)
 19 11/14/2008 (702231)
 20 04/10/2009 (721494)
 21 01/14/2009 (723119)
 22 03/11/2009 (737759)
 23 04/27/2009 (743734)
 24 05/13/2009 (744077)
 25 07/27/2009 (746012)
 26 09/29/2009 (775179)
 27 09/14/2009 (775519)
 28 10/13/2009 (778806)
 29 11/03/2009 (778844)
 30 11/10/2009 (781388)
 31 06/10/2010 (826328)
 32 08/02/2010 (829541)
 33 02/01/2011 (845975)
 34 02/28/2011 (899661)
 35 09/13/2011 (952320)
 36 10/17/2011 (955934)
 37 01/17/2012 (962877)
 38 08/13/2012 (995082)

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

Date: 10/11/2007 (595176)CN601229917

Self Report? NO Classification: Moderate
 Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(h)(2)
 Description: Failed to maintain less than 3% of the total number of valves within the V-Line process unit as difficult-to-monitor as required by the NSPS Subpart KKK monitoring program.

Self Report? NO Classification: Moderate
 Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)
 Description: Failed to repair/replace a valve that was detected as leaking on March 20, 2007, within the required 15 calendar days after the leak was detected.

Date: 11/14/2008 (702231)

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(e)
Special condition 1 OP

Description: Failed to operate the flare at all times when emissions were vented resulting in a release of hydrogen sulfide on 2 occasions.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 113, SubChapter C 113.100
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.760(g)(1)

Description: Failed to seal open-ended lines at all times in violation of the provisions of 40 CFR §60.482-6(a)(2), 40 CFR §63.760(g)(1), 40 CFR §60.632(a), 30 TAC §101.20(2) and 30 TAC §101.20(1).

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)
General Conditions OP

Description: Failed to include all instances of deviation in the deviation report for the reporting period January 1 through June 30, 2008, in violation of the deviation reporting requirements of 30 TAC §122.145(2)(A).

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(5)
General conditions OP

Description: Failed to submit a complete and accurate annual compliance certification for the reporting period from January 1 through June 30, 2008, as required by the provisions of 30 TAC §122.146(5).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.132(e)(2)

Description: Failed to correctly identify the permit authorizations in the initial GOP application for Engines 1, 2, 31 and 34 in violation of the provisions of 30 TAC §122.132(e) (2).

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(2)

Description: Failed to seal open-ended lines at all times.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
Special condition 3(A) PERMIT

Description: Failed to conduct an emission test on ENG-27 during the second quarter of 2008.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 113, SubChapter C 113.100
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(e)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.774(b)(9)

Description: Failed to identify and monitor all equipment in VOC service.

Date: 09/29/2009 (775179)

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(e)
5C THSC Chapter 382 382.085(b)
Special condition 1 OP

Description: Failed to operate the flare at all times when emissions were vented.

Date: 08/13/2012 (995082)

CN601229917

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
SC No. 8 OP

Description: The facility is in violation of the 5C THSC §382.085(b), 30 TAC §122.143(4), special condition No. 8 of the SOP permit No. O-2569, and 30 TAC §116.116(a).

Self Report? NO

Classification: Moderate

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

Description: The facility is in violation of the provisions 30 TAC §122.143(4) and 5C THSC §382.085(b).

Self Report? NO

Classification: Moderate

Citation: 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)
SC No. 8 OP
SC No. 8 PA

Description: The facility is in violation of the special condition No. 8 of the permit No. 73394, 30 TAC §116.115(c), 30 TAC §122.143(4), 5C THSC §382.085(b), and special condition No. 8 of the SOP permit No. O-2569.

F. Environmental audits.

Notice of Intent Date: 10/27/2008 (722203)

No DOV Associated

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
RN100219955

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2012-1772-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding DCP Midstream, LP ("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 presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. 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. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a natural gas processing plant at 15150 County Road 9 in Gruver, Hansford County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During a record review conducted from July 20 through July 26, 2012, TCEQ staff documented the unauthorized release of 17,094 pounds ("lbs") of propane, 8,575 lbs of n-butane, 2,861 lbs of iso-pentane, 3,723 lbs of n-pentane, 3,248 lbs of iso-butane, 8,108 lbs of hexane and 71 lbs of hydrogen sulfide from a pressure relief valve on the M-Line receiver at the Sherhan Plant during an emissions event that began on April 7, 2012 and lasted for 45 minutes (Incident No. 166867). The emissions event occurred when a valve on the Plant power cooling engine system was left in the open position by an operator, leading to a sequence of events which resulted in the activation of the Plant's emergency shutdown system. The TCEQ has determined that the emissions event was avoidable as it was due to operator error.
4. The Respondent received notice of the violations on August 14, 2012.
5. The Executive Director recognizes that on May 1, 2012, the Respondent trained operators to ensure that the correct procedures are followed in order to prevent the recurrence of emissions events due to same or similar causes as Incident No. 166867.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Air Permit No. 73394, Special Conditions No. 1, Federal Operating Permit No. O2569, Special Terms and Conditions No. 8, and TEX. HEALTH & SAFETY CODE § 382.085(b). Since this emissions event was avoidable, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
3. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of Twenty-Five Thousand Dollars (\$25,000) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid Twelve Thousand Five Hundred Dollars (\$12,500) of the administrative penalty. Twelve Thousand Five Hundred Dollars (\$12,500) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Twenty-Five Thousand Dollars (\$25,000) as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that 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. 2012-1772-AIR-E" to:

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

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section II, Paragraph 4 above, Twelve Thousand Five Hundred Dollars (\$12,500) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the

Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
7. 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.
8. 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.
9. 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.
10. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

[Signature]
For the Executive Director

2/18/13
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of DCP Midstream, LP. I am authorized to agree to the attached Agreed Order on behalf of DCP Midstream, LP, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, DCP Midstream, LP waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions;
- and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

[Signature]
Signature

12-4-12
Date

D.J. Dean
Name (Printed or typed)
Authorized Representative of
DCP Midstream, LP

Operations VP
Title

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

Attachment A
Docket Number: 2012-1772-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	DCP Midstream, LP
Penalty Amount:	Twenty-Five Thousand Dollars (\$25,000)
SEP Offset Amount:	Twelve Thousand Five Hundred Dollars (\$12,500)
Type of SEP:	Contribution to a Pre-Approved Third-Party Recipient
Third-Party Recipient:	Borger Independent School District ("ISD")
Project Name:	<i>Borger ISD Clean School Bus Replacement Program</i>
Location of SEP:	Hansford County; Texas Air Quality Control Region 211 - Amarillo - Lubbock

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Recipient and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Recipient shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project and no portion will be spent on administrative costs.

DCP Midstream, LP
Agreed Order - Attachment A

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

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient. Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution, with a copy of the Agreed Order to:

Borger Independent School District
200 East Ninth Street
Borger, Texas 79008-1177

3. Records and Reporting

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

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP agreement in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of Respondent, must include a clear statement that the Project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.