

Executive Summary – Enforcement Matter – Case No. 45463
DCP Midstream, LP
RN100222330
Docket No. 2012-2393-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Goldsmith Gas Plant, located three miles west of Goldsmith on Highway 158, Ector 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: March 29, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$39,375

Amount Deferred for Expedited Settlement: \$7,875

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$15,750

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$15,750

Name of SEP: Alternative Fuels Clean School Bus Replacement Program

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

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DCP Midstream, LP
RN100222330
Docket No. 2012-2393-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: October 11, 2012

Date(s) of NOE(s): October 16, 2012

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, Respondent released 2,229.85 pounds ("lbs") of carbon monoxide ("CO"), 97.19 lbs of hydrogen sulfide ("H₂S"), 252.41 lbs of nitrogen oxides ("NO_x"), 1,527.55 lbs of natural gas and 8,952.27 lbs of sulfur dioxide ("SO₂") from the Residue Compression Flare, Emissions Point Number ("EPN") FLR03, during an emissions event (Incident No. 161035) that began on October 25, 2011 and lasted one hour and twenty-four minutes. The emissions event occurred when an operator mistakenly disconnected the transmitter associated with the B-Turbine instead of the A-Turbine. The B-Turbine shut down resulting in flaring. Since this emissions event was avoidable, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.615(2), Standard Permit No. 73563 and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to prevent unauthorized emissions. Specifically, Respondent experienced 20 percent opacity and released 1,982.34 lbs of CO, 1,447.73 lbs of natural gas, 8,483.67 lbs of SO₂, 65.08 lbs of NO_x, and 92.11 lbs of H₂S from the Residue Compression Flare, EPN FLR03, during an emissions event (Incident No. 161118) that began on October 28, 2011 and lasted two hours and fifty-eight minutes. The emissions event occurred when Respondent failed to ensure that all wiring had been properly tightened after the completion of A-Turbine and B-Turbine maintenance. Since this emissions event was avoidable, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.615(2), Standard Permit No. 73563 and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to prevent unauthorized emissions. Specifically, Respondent released 1,622.27 lbs of CO, 81.46 lbs of H₂S, 1,251.75 lbs of natural gas, and 7,502.75 lbs of SO₂ from the Residue Compression Flare, EPN No. FLR03, during an emissions event (Incident No. 161121) that began on October 28, 2011 and lasted one hour and fifty-seven minutes. The emissions event occurred when the A-Turbine tripped twice offline due to overspeed and the B-Turbine shut down due to gearbox vibration. Since this emissions event was avoidable, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.615(2), Standard Permit No. 73563 and TEX. HEALTH & SAFETY CODE § 382.085(b)].

**Executive Summary – Enforcement Matter – Case No. 45463
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Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

Respondent has implemented the following corrective measures:

- a. By October 31, 2011, implemented procedures to prevent recurrence of emissions events due to same or similar causes as Incident Nos. 161118 and 161121; and
- b. By November 30, 2011, implemented procedures to prevent recurrence of emissions events due to same or similar causes as Incident No. 161035.

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
Respondent: Quentin C. Mendenhall, Environmental Manager - Permian, DCP Midstream, LP, 10 Desta Drive, Suite 400 West, Midland, Texas 79705
Respondent's Attorney: N/A

Attachment A
Docket Number: 2012-2393-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	DCP Midstream, LP
Penalty Amount:	Thirty-One Thousand Five Hundred Dollars (\$31,500)
SEP Offset Amount:	Fifteen Thousand Seven Hundred Fifty Dollars (\$15,750)
Type of SEP:	Contribution to a Third-Party Recipient SEP
Third-Party Recipient:	Railroad Commission of Texas
Project Name:	Alternative Fuels Clean School Bus Replacement Program
Location of SEP:	Ector County

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 **Railroad Commission of Texas** for the *Alternative Fuels 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 buses with newer buses that meet more stringent emission standards. The Third-Party Recipient shall use the SEP Offset Amount for up to 100% of the purchase price of a propane or natural gas powered school bus that is model year 2010 or newer to public school districts and public charter schools to replace a diesel school bus that is model year 2002 or older.

All dollars contributed will be used solely for the direct cost of the Project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

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 **Railroad Commission of Texas SEP** and shall mail the contribution with a copy of the Agreed Order to:

Alternative Energy Division
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

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 complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and shall include on the check the docket number of this Agreed Order and note that it is for reimbursement of a SEP. Respondent 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	22-Oct-2012	Screening	7-Nov-2012	EPA Due	13-Jul-2013
	PCW	15-Nov-2012				

RESPONDENT/FACILITY INFORMATION

Respondent	DCP Midstream, LP				
Reg. Ent. Ref. No.	RN100222330				
Facility/Site Region	7-Midland	Major/Minor Source	Major		

CASE INFORMATION

Enf./Case ID No.	45463	No. of Violations	3
Docket No.	2012-2393-AIR-E	Order Type	1660
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** **\$22,500**

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** **\$22,500**

Notes: Enhancement for one NOV with same/similar violations, one NOV with dissimilar violations, two orders with denial of liability, and three orders without denial of liability. Reduction for two notices 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** **\$5,625**

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

Total EB Amounts \$5
Approx. Cost of Compliance \$2,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$39,375**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$39,375**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$39,375**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$7,875**

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **\$31,500**

Screening Date 7-Nov-2012

Docket No. 2012-2393-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 3 (September 2011)

Case ID No. 45463

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222330

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>)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	2	40%
	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	3	75%
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>)	2	-2%
	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) 120%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with same/similar violations, one NOV with dissimilar violations, two orders with denial of liability, and three orders without denial of liability. Reduction for two notices of intent to conduct an audit.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 120%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 7-Nov-2012

Docket No. 2012-2393-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 3 (September 2011)

Case ID No. 45463

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN10022330

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.615(2), Standard Permit No. 73563 and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 2,229.85 pounds ("lbs") of carbon monoxide ("CO"), 97.19 lbs of hydrogen sulfide ("H2S"), 252.41 lbs of nitrogen oxides ("NOx"), 1,527.55 lbs of natural gas and 8,952.27 lbs of sulfur dioxide ("SO2") from the Residue Compression Flare, Emissions Point Number ("EPN") FLR03, during an emissions event (Incident No. 161035) that began on October 25, 2011 and lasted one hour and twenty-four minutes. The emissions event occurred when an operator mistakenly disconnected the transmitter associated with the B-Turbine instead of the A-Turbine. The B-Turbine shut down resulting in flaring. 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

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		x		30.0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1 Number of violation days 1

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

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$1,875

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

Notes

The Respondent completed the corrective actions on November 30, 2011, prior the October 16, 2012 NOE.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5

Violation Final Penalty Total \$13,125

This violation Final Assessed Penalty (adjusted for limits) \$13,125

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 45463
Reg. Ent. Reference No. RN100222330
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
<small>No commas or \$</small>							

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)	\$1,000	25-Oct-2011	30-Nov-2011	0.10	\$5	n/a	\$5

Notes for DELAYED costs

Estimated expense to implement procedures to prevent recurrence of emissions events due to same or similar causes. 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

\$5

Screening Date 7-Nov-2012

Docket No. 2012-2393-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 3 (September 2011)

Case ID No. 45463

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222330

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.615(2), Standard Permit No. 73563 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent experienced 20 percent opacity and released 1,982.34 lbs of CO, 1,447.73 lbs of natural gas, 8,483.67 lbs of SO2, 65.08 lbs of NOx, and 92.11 lbs of H2S from the Residue Compression Flare, EPN FLR03, during an emissions event (Incident No. 161118) that began on October 28, 2011 and lasted two hours and fifty-eight minutes. The emissions event occurred when the Respondent failed to ensure that all wiring had been properly tightened after the completion of A-Turbine and B-Turbine maintenance. 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

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		X		30.0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1 Number of violation days 1

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

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$1,875

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

Notes The Respondent completed the corrective actions on October 31, 2011, prior to the October 16, 2012 NOE.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$13,125

This violation Final Assessed Penalty (adjusted for limits) \$13,125

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 45463
Reg. Ent. Reference No. RN100222330
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$500	28-Oct-2011	31-Oct-2011	0.01	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to implement procedures to prevent recurrence of emissions events due to same or similar causes. 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

\$500

TOTAL

\$0

Screening Date 7-Nov-2012
Respondent DCP Midstream, LP
Case ID No. 45463

Docket No. 2012-2393-AIR-E

PCW

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

Reg. Ent. Reference No. RN100222330
Media [Statute] Air
Enf. Coordinator Nadia Hameed

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 116.615(2), Standard Permit No. 73563 and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,622.27 lbs of CO, 81.46 lbs of H2S, 1,251.75 lbs of natural gas, and 7,502.75 lbs of SO2 from the Residue Compression Flare, EPN No. FLR03, during an emissions event (Incident No. 161121) that began on October 28, 2011 and lasted one hour and fifty-seven minutes. The emissions event occurred when the A-Turbine tripped off-line twice due to overspeed and the B-Turbine shut down due to gearbox vibration. 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		30.0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1 Number of violation days 1

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	weekly	
	monthly	X
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$1,875

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

Notes

The Respondent completed the corrective actions on October 31, 2011, prior to the October 16, 2012 NOE.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$13,125

This violation Final Assessed Penalty (adjusted for limits) \$13,125

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 45463
Reg. Ent. Reference No. RN100222330
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$500	28-Oct-2011	31-Oct-2011	0.01	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to implement procedures to prevent recurrence of emissions events due to same or similar causes. 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

\$500

TOTAL

\$0

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN601229917, RN100222330, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator: CN601229917, DCP Midstream, LP **Classification:** SATISFACTORY **Rating:** 5.24
Regulated Entity: RN100222330, GOLDSMITH GAS PLANT **Classification:** SATISFACTORY **Rating:** 0.25
Complexity Points: 11 **Repeat Violator:** NO
CH Group: 03 - Oil and Gas Extraction
Location: 3 MI WEST OF GOLDSMITH ON HWY 158 PLANT IS ON RIGHT, TX, ECTOR COUNTY
TCEQ Region: REGION 07 - MIDLAND

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER EB0053J	AIR OPERATING PERMITS PERMIT 2585
AIR NEW SOURCE PERMITS REGISTRATION 10321	AIR NEW SOURCE PERMITS REGISTRATION 10532
AIR NEW SOURCE PERMITS REGISTRATION 12612A	AIR NEW SOURCE PERMITS PERMIT 676A
AIR NEW SOURCE PERMITS ACCOUNT NUMBER EB0053J	AIR NEW SOURCE PERMITS REGISTRATION 54944
AIR NEW SOURCE PERMITS REGISTRATION 73563	AIR NEW SOURCE PERMITS AFS NUM 4813500022
AIR NEW SOURCE PERMITS REGISTRATION 73567	AIR NEW SOURCE PERMITS REGISTRATION 76810
AIR NEW SOURCE PERMITS REGISTRATION 85276	AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1246
AIR EMISSIONS INVENTORY ACCOUNT NUMBER EB0053J	

Compliance History Period: September 01, 2007 to August 31, 2012 **Rating Year:** 2012 **Rating Date:** 09/01/2012

Date Compliance History Report Prepared: November 16, 2012

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: November 15, 2007 to November 15, 2012

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Nadia Hameed

Phone: (713) 767-3629

Site and Owner/Operator History:

- 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 for #2, who is the current owner/operator? N/A
- 4) If YES for #2, 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

Components (Multimedia) for the Site Are Listed in Sections A - J

A.Final Orders, court judgments, and consent decrees:

- 1 **Effective Date:** 04/14/2008 **ADMINORDER 2006-0958-AIR-E (Findings Order-Agreed Order Without Denial)**
Classification: Major
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov:Spec. Cond. 1 PERMIT
Description: Failed to prevent the unauthorized release of air contaminants into the atmosphere.
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Permit No. 676A/Special Condition 2 PERMIT

Description: Failed to maintain the sulfur recovery efficiency in the SRU of at least 98 percent based on a rolling seven-day average.

Classification: Moderate

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

Description: Failed to submit complete and accurate deviation reports for the periods of January 1, 2005 through June 30, 2005, and July 1, 2005 through December 31, 2005

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Permit No. 676A/Special Condition 7 PERMIT

Description: Failed to submit a startup and a construction notification for modifications to the amine treater unit during 2002 as required.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to plug, cap, or double-valve an unreported number of open ended VOC lines and valves.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.121
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to revise FOP No. O-00804 to include one turbine, and two compressor engines (EPN Nos. TUR-B, 22R-1 and 29R-2) prior to the startup of the units.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to include the correct authorized emissions limits on Scheduled Maintenance Incident #77400 for the residue compression flare and on Emissions Event Incident #79882 for the residue compression flare.

2 **Effective Date: 11/17/2008 ADMINORDER 2008-0497-AIR-E (1660 Order-Agreed Order With Denial)**

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC No. 1 PERMIT

Description: Failed to comply with the emission limit for SO2 contained in the maximum allowable emission rate table at EPN No. INCIN.

3 **Effective Date: 07/09/2009 ADMINORDER 2009-0201-AIR-E (Findings Order-Agreed Order Without Denial)**

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 116, SubChapter F 116.615(2)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:MAERT PERMIT

Permit No. 676A Special Condition 1 PERMIT

Description: The Respondent failed to prevent the unauthorized release of air contaminants into the atmosphere.

4 **Effective Date: 02/05/2011 ADMINORDER 2010-1511-AIR-E (1660 Order-Agreed Order With Denial)**

Classification: Moderate

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

Rqmt Prov:Permit 676A Special Condition 1 PERMIT

SOP O2585 Special Terms and Conditions 7 PERMIT

Description: Failed to maintain compliance with the 481.70 pounds per hour ("lbs/hr") sulfur dioxide ("SO2") permitted emission limit for the tail gas incinerator stack. Specifically, the Respondent exceeded the permitted limit by at least 9 lbs/hr for 253 hourly instances during the January 1, 2009 through December 31, 2009 reporting period; resulting in the

unauthorized release of 2,277 lbs of SO2.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:SOP Number O2585 Gen. Terms & Conditions PERMIT

Description: Failed to include all instances of deviations in the semi-annual deviation report for the period of January 1, 2009 through June 30, 2009. Specifically, the Respondent failed to include deviations for 194 instances when the temperature in the combustion chamber of the tail gas incinerator fell below 1,200 degrees Fahrenheit between February 26, 2009 through March 9, 2009.

5 **Effective Date: 03/07/2011 ADMINORDER 2009-1821-AIR-E (Findings Order-Agreed Order Without Denial)**

Classification: Minor

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

Description: Failed to submit the initial notification for a reportable emissions event (Incident Number 115063) within 24 hours after discovery of the incident.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:Permit Number 676A General Condition 8 PERMIT

Standard Permit, General Condition 8 PERMIT

Description: Failed to prevent the discharge of unauthorized emissions resulting from 28 emissions events associated with the B-Turbine

Classification: Minor

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

Description: Failed to submit the initial notifications for Emissions Event Incidents Number 119050 and 121907 within 24 hours after discovery of the incidents.

Classification: Minor

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

Description: Failed to submit the final report for reportable Emissions Event (Incident Number 121907) within 2 weeks after the end of the incident.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:General Condition 8 PERMIT

Standard Permit, General Condition 8 PERMIT

Description: Failed to prevent the discharge of unauthorized emissions resulting from 20 emissions events associated with the A-Turbine.

Classification: Minor

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

Description: Failed to submit the initial notification for a reportable emissions event (Incident No. 128688) within 24 hours after discovery of the incident.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:General Condition 8 PERMIT

Standard Permit, General Condition 8 PERMIT

Description: Failed to prevent the discharge of unauthorized emissions resulting from 30 emissions events associated with the A-Turbine.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:Standard Permit, General Condition 8 PERMIT

Description: Failed to prevent the discharge of unauthorized emissions resulting from 19 emissions events associated with the B-Turbine

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	November 27, 2007	(609951)
Item 2	December 19, 2007	(612293)
Item 3	January 11, 2008	(614194)
Item 4	February 14, 2008	(618547)
Item 5	May 12, 2008	(670700)
Item 6	May 28, 2008	(681144)
Item 7	June 02, 2008	(681405)
Item 8	June 24, 2008	(681411)
Item 9	October 01, 2008	(704323)
Item 10	October 03, 2008	(704406)
Item 11	October 06, 2008	(704616)
Item 12	December 18, 2008	(721515)
Item 13	January 15, 2009	(723941)
Item 14	January 16, 2009	(724053)
Item 15	January 21, 2009	(724405)
Item 16	January 22, 2009	(724553)
Item 17	March 12, 2009	(738435)
Item 18	July 29, 2009	(763369)
Item 19	August 03, 2009	(764256)
Item 20	August 10, 2009	(765099)
Item 21	August 21, 2009	(766490)
Item 22	August 24, 2009	(766287)
Item 23	September 23, 2009	(777059)
Item 24	October 14, 2009	(779227)
Item 25	December 02, 2009	(784085)
Item 26	December 03, 2009	(784325)
Item 27	January 12, 2010	(788058)
Item 28	January 13, 2010	(788269)
Item 29	January 15, 2010	(788457)
Item 30	January 27, 2010	(789774)
Item 31	January 28, 2010	(789962)
Item 32	January 29, 2010	(790207)
Item 33	February 01, 2010	(790391)
Item 34	February 02, 2010	(790481)
Item 35	February 03, 2010	(790685)
Item 36	February 04, 2010	(790922)
Item 37	January 21, 2011	(892502)
Item 38	March 01, 2011	(900925)
Item 39	May 24, 2011	(921474)
Item 40	September 01, 2011	(950270)
Item 41	September 07, 2011	(952285)
Item 42	September 09, 2011	(955622)
Item 43	September 23, 2011	(957450)
Item 44	September 26, 2011	(957346)
Item 45	September 30, 2011	(958101)
Item 46	October 13, 2011	(962401)
Item 47	October 17, 2011	(962680)
Item 48	October 24, 2011	(963446)
Item 49	October 31, 2011	(964212)
Item 50	November 30, 2011	(969901)
Item 51	March 02, 2012	(989848)
Item 52	March 06, 2012	(990012)
Item 53	March 08, 2012	(990339)
Item 54	March 09, 2012	(993540)
Item 55	March 12, 2012	(993654)

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
RN100222330

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2012-2393-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding DCP Midstream, LP ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a natural gas processing plant located three miles west of Goldsmith on Highway 158 in Ector 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 October 21, 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 Thirty-Nine Thousand Three Hundred Seventy-Five Dollars (\$39,375) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Fifteen Thousand Seven Hundred Fifty Dollars (\$15,750) of the administrative penalty and Seven Thousand Eight Hundred Seventy-Five Dollars (\$7,875) 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. Fifteen Thousand Seven Hundred Fifty Dollars (\$15,750) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. By October 31, 2011, implemented procedures to prevent recurrence of emissions events due to same or similar causes as Incident Nos. 161118 and 161121; and
 - b. By November 30, 2011, implemented procedures to prevent recurrence of emissions events due to same or similar causes as Incident No. 161035.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

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

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.615(2), Standard Permit No. 73563 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on October 11, 2012. Specifically, the Respondent released 2,229.85 pounds ("lbs") of carbon monoxide ("CO"), 97.19 lbs of hydrogen sulfide ("H₂S"), 252.41 lbs of nitrogen oxides ("NO_x"), 1,527.55 lbs of natural gas and 8,952.27 lbs of sulfur dioxide ("SO₂") from the Residue Compression Flare, Emissions Point Number ("EPN") FLR03, during an emissions event (Incident No. 161035) that began on October 25, 2011 and lasted one hour and twenty-four minutes. The emissions event occurred when an operator mistakenly disconnected the transmitter

associated with the B-Turbine instead of the A-Turbine. The B-Turbine shut down resulting in flaring. Since this emissions event was avoidable, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.615(2), Standard Permit No. 73563 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on October 11, 2012. Specifically, the Respondent experienced 20 percent opacity and released 1,982.34 lbs of CO, 1,447.73 lbs of natural gas, 8,483.67 lbs of SO₂, 65.08 lbs of NO_x, and 92.11 lbs of H₂S from the Residue Compression Flare, EPN FLR03, during an emissions event (Incident No. 161118) that began on October 28, 2011 and lasted two hours and fifty-eight minutes. The emissions event occurred when the Respondent failed to ensure that all wiring had been properly tightened after the completion of A-Turbine and B-Turbine maintenance. Since this emissions event was avoidable, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
3. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.615(2), Standard Permit No. 73563 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on October 11, 2012. Specifically, the Respondent released 1,622.27 lbs of CO, 81.46 lbs of H₂S, 1,251.75 lbs of natural gas, and 7,502.75 lbs of SO₂ from the Residue Compression Flare, EPN No. FLR03, during an emissions event (Incident No. 161121) that began on October 28, 2011 and lasted one hour and fifty-seven minutes. The emissions event occurred when the A-Turbine tripped twice offline due to overspeed and the B-Turbine shut down due to gearbox vibration. Since this emissions event was avoidable, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: DCP Midstream, LP, Docket No. 2012-2393-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 I, Paragraph 6 above, Fifteen Thousand Seven Hundred Fifty Dollars (\$15,750) 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. 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

Pam Young
For the Executive Director

4/25/13
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.

ACM
Signature

2-11-13
Date

Quentin C. Mendenhall
Name (Printed or typed)
Authorized Representative of
DCP Midstream, LP

Environmental Manager - Permian
Title

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

Attachment A
Docket Number: 2012-2393-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	DCP Midstream, LP
Penalty Amount:	Thirty-One Thousand Five Hundred Dollars (\$31,500)
SEP Offset Amount:	Fifteen Thousand Seven Hundred Fifty Dollars (\$15,750)
Type of SEP:	Contribution to a Third-Party Recipient SEP
Third-Party Recipient:	Railroad Commission of Texas
Project Name:	Alternative Fuels Clean School Bus Replacement Program
Location of SEP:	Ector County

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 **Railroad Commission of Texas** for the *Alternative Fuels 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 buses with newer buses that meet more stringent emission standards. The Third-Party Recipient shall use the SEP Offset Amount for up to 100% of the purchase price of a propane or natural gas powered school bus that is model year 2010 or newer to public school districts and public charter schools to replace a diesel school bus that is model year 2002 or older.

All dollars contributed will be used solely for the direct cost of the Project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

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 **Railroad Commission of Texas SEP** and shall mail the contribution with a copy of the Agreed Order to:

Alternative Energy Division
Railroad Commission of Texas
P.O. Box 12967
Austin, Texas 78711-2967

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 complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and shall include on the check the docket number of this Agreed Order and note that it is for reimbursement of a SEP. Respondent 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.