

Executive Summary – Enforcement Matter – Case No. 49449

DCP Midstream, LP

RN100220052

Docket No. 2014-1481-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Sneed Booster Station, located 0.4 mile south of Ranch Road 1319 on Skelly School Road near Dumas, Moore 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: January 23, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$33,188

Amount Deferred for Expedited Settlement: \$6,637

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$13,276

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$13,275

Name of SEP: Borger Independent School District (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: August 13, 2014

Date(s) of NOE(s): August 28, 2014

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DCP Midstream, LP
RN100220052
Docket No. 2014-1481-AIR-E

Violation Information

1. Failed to maintain the four-hour rolling average temperature of the stationary reciprocating internal combustion catalyst inlet greater than or equal to 750 degrees Fahrenheit ("°F"). Specifically, between July 14 and October 30, 2013, the four-hour rolling average catalyst inlet temperature for three Sandelius TC, Type K engines, Emissions Point Nos. ("EPNs") ENG-28, ENG-30, and ENG-31, fell below 750°F on nine days for a total of 23 hours [30 TEX. ADMIN. CODE §§ 101.20(2), 113.1090, and 122.143(4), Federal Operating Permit ("FOP") No. O2568, Special Terms and Conditions ("STC") No. 1.A., 40 CODE OF FEDERAL REGULATIONS ("CFR") § 63.6640(a), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to maintain the sulfur recovery efficiency for the Sulfur Recovery Unit ("SRU") at a minimum of 98.5% on a daily average when the sulfur production rate exceeds five long tons per day. Specifically, on October 12, November 23, and December 8, 2013, from May 12 to 16, and on June 20 and 29, 2014, the sulfur recovery efficiency for the SRU fell below 98.5% [30 TEX. ADMIN. CODE §§ 101.20(2) and (3), 113.690, 116.115(c), and 122.143(4), FOP No. O2568, STC Nos. 1.A. and 8, New Source Review Permit Nos. 83193 and PSDTX1104, Special Conditions No. 4, 40 CFR § 63.642(b), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. By October 13, 2014, installed automatic low catalyst inlet temperature shut downs on three Sandelius TC, Type K engines, EPNs ENG-28, ENG-30, and ENG-31, to ensure that the catalyst inlet temperature is greater than or equal to 750°F while the engines operate; and

- b. By June 30, 2014, overhauled and made operational adjustments to the waste heat exchanger for the SRU.

Technical Requirements:

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

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RN100220052

Docket No. 2014-1481-AIR-E

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: David Carney, Enforcement Division,
Enforcement Team 5, MC 149, (512) 239-2583; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456

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

Respondent: Ghazi Shahim, Vice President of Operations, DCP Midstream, LP, 9101
State Highway 136, Borger, Texas 79007

Steven Kuhn, Environmental Specialist, DCP Midstream, LP, 9101 State Highway 136,
Borger, Texas 79007

Respondent's Attorney: N/A

Attachment A

Docket Number: 2014-1481-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	DCP Midstream, LP
Penalty Amount:	Twenty-Six Thousand Five Hundred Fifty-One Dollars (\$26,551)
SEP Offset Amount:	Thirteen Thousand Two Hundred Seventy-Five Dollars (\$13,275)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Borger Independent School District
Project Name:	<i>Borger ISD Clean School Bus Replacement Program</i>
Location of SEP:	Hutchinson 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 the 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

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator 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 Administrator 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 Administrator 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, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

The 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. The Respondent shall not profit in any manner from this SEP.

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

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

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. The 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, the 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 Administrator. The 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 the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the 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, the 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 the 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

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the 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 the 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 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	2-Sep-2014	Screening	6-Oct-2014	EPA Due	
	PCW	17-Nov-2014				

RESPONDENT/FACILITY INFORMATION	
Respondent	DCP Midstream, LP
Reg. Ent. Ref. No.	RN100220052
Facility/Site Region	1-Amarillo
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	49449	No. of Violations	2
Docket No.	2014-1481-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	David Carney
		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 **65.0%** Enhancement **Subtotals 2, 3, & 7** **\$14,625**

Notes Enhancement for one NOV with same/similar violations and three agreed orders with denial of liability.

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** **-\$3,937**

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

Total EB Amounts **\$1,295**
 Estimated Cost of Compliance **\$25,000**
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$33,188**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$33,188**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$33,188**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$6,637**

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 **\$26,551**

Screening Date 6-Oct-2014

Docket No. 2014-1481-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 4 (April 2014)

Case ID No. 49449

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100220052

Media [Statute] Air

Enf. Coordinator David Carney

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	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	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%

Please Enter Yes or No

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

Adjustment Percentage (Subtotal 2) 65%

>> **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 and three agreed orders with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 65%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 65%

Screening Date 6-Oct-2014

Docket No. 2014-1481-AIR-E

PCW

Respondent DCP Midstream, LP

Policy Revision 4 (April 2014)

Case ID No. 49449

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100220052

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(2), 113.1090, and 122.143(4), Federal Operating Permit ("FOP") No. O2568, Special Terms and Conditions ("STC") No. 1.A., 40 Code of Federal Regulations ("CFR") § 63.6640(a), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to maintain the four-hour rolling average temperature of the stationary reciprocating internal combustion catalyst inlet greater than or equal to 750 degrees Fahrenheit ("°F"). Specifically, between July 14 and October 30, 2013, the four-hour rolling average catalyst inlet temperature for three Sandelius TC, Type K engines, Emissions Point Nos. ENG-28, ENG-30, and ENG-31, fell below 750°F on nine days for a total of 23 hours.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 3

9 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$11,250

Three quarterly events are recommended, one quarter for each engine.

Good Faith Efforts to Comply

10.0%

Reduction \$1,125

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

Notes

The Respondent achieved compliance on October 13, 2014, after the Notice of Enforcement ("NOE") dated August 28, 2014.

Violation Subtotal \$10,125

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$937

Violation Final Penalty Total \$17,438

This violation Final Assessed Penalty (adjusted for limits) \$17,438

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 49449
Reg. Ent. Reference No. RN100220052
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$15,000	14-Jul-2013	13-Oct-2014	1.25	\$937	n/a	\$937

Notes for DELAYED costs

Estimated cost to install automatic low catalyst inlet temperature shut downs on the engines to ensure that the catalyst inlet temperature is greater than or equal to 750°F while the engines operate. The Date Required is the initial date of non-compliance and the Final Date is the compliance date.

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

\$15,000

TOTAL

\$937

Screening Date 6-Oct-2014
Respondent DCP Midstream, LP
Case ID No. 49449
Reg. Ent. Reference No. RN100220052
Media [Statute] Air
Enf. Coordinator David Carney

Docket No. 2014-1481-AIR-E

PCW

Policy Revision 4 (April 2014)
 PCW Revision March 26, 2014

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(2) and (3), 113.690, 116.115(c), and 122.143(4), FOP No. 02568, STC Nos. 1.A. and 8, New Source Review Permit Nos. 83193 and PSDTX1104, Special Conditions No. 4, 40 CFR § 63.642(b), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain the sulfur recovery efficiency for the Sulfur Recovery Unit ("SRU") at a minimum of 98.5% on a daily average when the sulfur production rate exceeds five long tons per day. Specifically, on October 12, November 23, and December 8, 2013, from May 12 to 16, and on June 20 and 29, 2014, the sulfur recovery efficiency for the SRU fell below 98.5%.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 3 10 Number of violation days

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

Violation Base Penalty \$11,250

Three quarterly events are recommended for the instances of non-compliance that occurred between October 12, 2013 and June 29, 2014.

Good Faith Efforts to Comply

25.0%

Reduction \$2,812

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

Notes

The Respondent achieved compliance on June 30, 2014, before the NOE dated August 28, 2014.

Violation Subtotal \$8,438

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$358

Violation Final Penalty Total \$15,751

This violation Final Assessed Penalty (adjusted for limits) \$15,751

Economic Benefit Worksheet

Respondent DCP Midstream, LP
Case ID No. 49449
Reg. Ent. Reference No. RN100220052
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	12-Oct-2013	30-Jun-2014	0.72	\$358	n/a	\$358

Notes for DELAYED costs

Estimated cost to overhaul and make operational adjustments to the waste heat exchanger for the SRU. The Date Required is the initial date of non-compliance and the Final Date is the compliance date.

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

\$10,000

TOTAL

\$358



Compliance History Report

PENDING Compliance History Report for CN601229917, RN100220052, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator:	CN601229917, DCP Midstream, LP	Classification:	SATISFACTORY	Rating:	4.26
Regulated Entity:	RN100220052, Sneed Booster Station	Classification:	SATISFACTORY	Rating:	6.67
Complexity Points:	11	Repeat Violator:	NO		
CH Group:	03 - Oil and Gas Extraction				
Location:	0.4 MILE SOUTH OF RANCH ROAD 1319 ON SKELLY SCHOOL ROAD NEAR DUMAS, TX, MOORE COUNTY				
TCEQ Region:	REGION 01 - AMARILLO				

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER MR0029L	AIR OPERATING PERMITS PERMIT 2568
AIR NEW SOURCE PERMITS AFS NUM 4834100014	AIR NEW SOURCE PERMITS PERMIT 7894
AIR NEW SOURCE PERMITS REGISTRATION 28214	AIR NEW SOURCE PERMITS ACCOUNT NUMBER MR0029L
AIR NEW SOURCE PERMITS PERMIT 73350	AIR NEW SOURCE PERMITS REGISTRATION 38617
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1104	AIR NEW SOURCE PERMITS PERMIT 83193
AIR EMISSIONS INVENTORY ACCOUNT NUMBER MR0029L	

Compliance History Period:	September 01, 2009 to August 31, 2014	Rating Year:	2014	Rating Date:	09/01/2014
Date Compliance History Report Prepared:	October 03, 2014				
Agency Decision Requiring Compliance History:	Enforcement				
Component Period Selected:	October 03, 2009 to October 03, 2014				

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

Name: David Carney **Phone:** (512) 239-2583

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: 02/20/2011 ADMINORDER 2010-1358-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Major
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THSC Chapter 382 382.0518(a)
5C THSC Chapter 382 382.085(b)
Description: Failed to properly authorize fugitive emissions. This is a violation of 30 TAC Chapter 116.110(a) and SOP No. 02568.
- 2 Effective Date: 02/10/2012 ADMINORDER 2011-1062-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

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 No. 1 PERMIT
Special Terms and Conditions No. 7 OP

Description: Failed to comply with the hourly emission rates. Specifically, during the commissioning of the Sulfur Recovery Unit, from October 8, 2010 through December 31, 2010, the Respondent exceeded the hourly emission rate of 81.58 pounds per hour of sulfur dioxide from the Tail Gas Incinerator Unit (Emission Point Number TGI). During the period of noncompliance, 12,347.69 pounds of sulfur dioxide were released.

3 Effective Date: 04/18/2014 ADMINORDER 2013-1949-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
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 Conditions No. 11 PERMIT
Special Terms and Conditions No. 7 OP

Description: Failed to maintain exhaust O2 concentrations at or above 3% in the TGI Stack on 116 instances during the period of January 1, 2011 and March 20, 2011.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	October 13, 2009	(778861)
Item 2	December 03, 2009	(784575)
Item 3	December 10, 2009	(784554)
Item 4	January 13, 2010	(786629)
Item 5	February 18, 2010	(792255)
Item 6	March 11, 2010	(795264)
Item 7	March 29, 2010	(797427)
Item 8	April 13, 2010	(799055)
Item 9	May 06, 2010	(801629)
Item 10	May 12, 2010	(802380)
Item 11	May 26, 2010	(824699)
Item 12	June 30, 2010	(828877)
Item 13	October 01, 2010	(865196)
Item 14	November 04, 2010	(872661)
Item 15	November 12, 2010	(877026)
Item 16	April 29, 2011	(914853)
Item 17	May 26, 2011	(921138)
Item 18	June 13, 2011	(923588)
Item 19	June 16, 2011	(933122)
Item 20	July 21, 2011	(941181)
Item 21	July 25, 2011	(942872)
Item 22	July 26, 2011	(942904)
Item 23	July 27, 2011	(943334)
Item 24	August 05, 2011	(944262)
Item 25	August 29, 2011	(948738)
Item 26	September 13, 2011	(955671)
Item 27	September 20, 2011	(955741)
Item 28	October 04, 2011	(957438)
Item 29	October 05, 2011	(958634)
Item 30	October 12, 2011	(958868)
Item 31	December 28, 2011	(976204)
Item 32	March 16, 2012	(994437)
Item 33	March 27, 2012	(995471)

Item 34	April 20, 2012	(997735)
Item 35	May 25, 2012	(1008042)
Item 36	June 07, 2012	(1009485)
Item 37	June 29, 2012	(1014966)
Item 38	July 26, 2012	(1020842)
Item 39	August 06, 2012	(1022425)
Item 40	September 26, 2012	(1034654)
Item 41	October 03, 2012	(1034682)
Item 42	April 03, 2013	(1077349)
Item 43	April 22, 2013	(1085887)
Item 44	April 29, 2013	(1086836)
Item 45	May 06, 2013	(1086984)
Item 46	May 16, 2013	(1088586)
Item 47	May 23, 2013	(1088708)
Item 48	June 20, 2013	(1099745)
Item 49	August 07, 2013	(1105941)
Item 50	August 21, 2013	(1114752)
Item 51	August 26, 2013	(1115537)
Item 52	August 27, 2013	(1115560)
Item 53	September 27, 2013	(1120676)
Item 54	September 30, 2013	(1122154)
Item 55	November 19, 2013	(1088278)
Item 56	December 13, 2013	(1134539)
Item 57	December 19, 2013	(1134721)
Item 58	January 07, 2014	(1135032)
Item 59	January 08, 2014	(1139703)
Item 60	January 14, 2014	(1139537)
Item 61	February 06, 2014	(1140275)
Item 62	February 10, 2014	(1143892)
Item 63	May 12, 2014	(1166498)
Item 64	June 26, 2014	(1177912)
Item 65	September 04, 2014	(1192686)
Item 66	September 09, 2014	(1193011)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1 Date: 10/03/2013 (1120299) CN601229917
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(1)
5C THSC Chapter 382 382.085(b)
Description: During an onsite investigation this investigator observed opacity from the TGI Stack on
May 16, 2013. No amount of Opacity is authorized according to Permit no. 83193
Special Condition no. 8.

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

Pending Compliance History Report for CN601229917, RN100220052, Rating Year 2014 which includes Compliance History (CH) components from October 03, 2009, through October 03, 2014.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
DCP MIDSTREAM, LP
RN100220052

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2014-1481-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 0.4 mile south of Ranch Road 1319 on Skelly School Road near Dumas, Moore 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 September 2, 2014.
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-Three Thousand One Hundred Eighty-Eight Dollars (\$33,188) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirteen Thousand Two Hundred Seventy-Six Dollars (\$13,276) of the administrative penalty and

Six Thousand Six Hundred Thirty-Seven Dollars (\$6,637) 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. Thirteen Thousand Two Hundred Seventy-Five Dollars (\$13,275) 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 13, 2014, installed automatic low catalyst inlet temperature shut downs on three Sandelius TC, Type K engines, Emissions Point Nos. ("EPNs") ENG-28, ENG-30, and ENG-31, to ensure that the catalyst inlet temperature is greater than or equal to 750 degrees Fahrenheit ("°F") while the engines operate; and
 - b. By June 30, 2014, overhauled and made operational adjustments to the waste heat exchanger for the Sulfur Recovery Unit ("SRU").
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 maintain the four-hour rolling average temperature of the stationary reciprocating internal combustion catalyst inlet greater than or equal to 750°F, in violation of 30 TEX. ADMIN. CODE §§ 101.20(2), 113.1090, and 122.143(4), Federal Operating Permit ("FOP") No. O2568, Special Terms and Conditions ("STC") No. 1.A., 40 CODE OF FEDERAL REGULATIONS ("CFR") § 63.6640(a), and TEX. HEALTH & SAFETY

CODE § 382.085(b), as documented during a record review conducted on August 13, 2014. Specifically, between July 14 and October 30, 2013, the four-hour rolling average catalyst inlet temperature for three Sandelius TC, Type K engines, EPNs ENG-28, ENG-30, and ENG-31, fell below 750°F on nine days for a total of 23 hours.

2. Failed to maintain the sulfur recovery efficiency for the SRU at a minimum of 98.5% on a daily average when the sulfur production rate exceeds five long tons per day, in violation of 30 TEX. ADMIN. CODE §§ 101.20(2) and (3), 113.690, 116.115(c), and 122.143(4), FOP No. O2568, STC Nos. 1.A. and 8, New Source Review Permit Nos. 83193 and PSDTX1104, Special Conditions No. 4, 40 CFR § 63.642(b), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on August 13, 2014. Specifically, on October 12, November 23, and December 8, 2013, from May 12 to 16, and on June 20 and 29, 2014, the sulfur recovery efficiency for the SRU fell below 98.5%.

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. 2014-1481-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, Thirteen Thousand Two Hundred Seventy-Five Dollars (\$13,275) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. 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 Narwe
For the Executive Director

3/9/15
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.

Ghazi Shahin
Signature

12/11/14
Date

Ghazi Shahin
Name (Printed or typed)
Authorized Representative of
DCP Midstream, LP

VP OPS
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: 2014-1481-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	DCP Midstream, LP
Penalty Amount:	Twenty-Six Thousand Five Hundred Fifty-One Dollars (\$26,551)
SEP Offset Amount:	Thirteen Thousand Two Hundred Seventy-Five Dollars (\$13,275)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Borger Independent School District
Project Name:	<i>Borger ISD Clean School Bus Replacement Program</i>
Location of SEP:	Hutchinson 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 the 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**

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator 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 Administrator 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 Administrator 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, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

DCP Midstream, LP
Agreed Order - Attachment A

The 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. The Respondent shall not profit in any manner from this SEP.

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

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

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. The 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, the 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 Administrator. The 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 the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the 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, the 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 the 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

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the 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 the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.