

**Executive Summary – Enforcement Matter – Case No. 51323
Targa Midstream Services LLC
RN100238716
Docket No. 2015-1559-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Chico Gas Plant, 383 County Road 1745, Chico, Wise County

Type of Operation:

Natural gas production plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, 2015-1568-AIR-E and 2015-1575-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: March 11, 2016

Comments Received: No

Penalty Information

Total Penalty Assessed: \$14,298

Amount Deferred for Expedited Settlement: \$2,859

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$5,720

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$5,719

Name of SEP: North Central Texas Council of Governments (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: April 28, 2015

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Date(s) of NOE(s): September 1, 2015

Violation Information

1. Failed to comply with the operating temperature limit for the Regenerative Thermal Oxidizer ("RTO"). Specifically, the RTO, Emission Point Number ("EPN") RTO-1, was operated at a temperature below the minimum operating temperature of 1,500 degrees Fahrenheit for 10 days in April 2014 and was operated at a temperature below the minimum operating temperature of 1,600 degrees Fahrenheit for 31 days in October 2014, 27 days in December 2014, and 17 days in April 2015 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O3181, Special Terms and Conditions No. 12, and New Source Review Permit No. 84108, Special Conditions No. 8.C].

2. Failed to report all instances of deviations. Specifically, the deviation report for the January 26, 2014 through July 25, 2014 reporting period did not include a deviation for the instances the RTO was operating below the minimum operating temperature of 1,500 degrees Fahrenheit, and the deviation report for the July 26, 2014 through January 25, 2015 reporting period did not include a deviation for the instances the RTO was operating below the minimum operating temperature of 1,600 degrees Fahrenheit [30 TEX. ADMIN. CODE § 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3181, General Terms and Conditions].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

On August 18, 2015, the Respondent began monitoring and recording all of the combustion chamber thermocouple temperatures for the RTO, EPN RTO-1, and programmed an alarm to sound when the temperature drops below the minimum operating temperature.

Technical Requirements:

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).
2. The Order will also require the Respondent to:
 - a. Within 30 days, submit a revised deviation report for the January 26, 2014 through July 25, 2014 reporting period that includes the deviation for failing to operate the RTO at or above the minimum operating temperature of 1,500 degrees Fahrenheit and submit a revised deviation report for the July 26, 2014 through January 25, 2015 reporting period that includes the deviation for failing to operate the RTO at or above the minimum operating temperature of 1,600 degrees Fahrenheit; and

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b. Within 45 days, submit written certification to demonstrate compliance with 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: Amancio R. Gutierrez, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-3921; Melissa Cordell, Enforcement Division, MC 219, (512) 239-2483
TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565
Respondent: Francis Foret, Senior Vice President Operations, Targa Midstream Services LLC, 1000 Louisiana, Suite 4300, Houston, Texas 77002
Shane Tribe, Senior Environmental Specialist, Targa Midstream Services LLC, 383 County Road 1745, Chico, Texas 76431
Respondent's Attorney: N/A

Attachment A
Docket Number: 2015-1559-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Targa Midstream Services LLC
Penalty Amount:	Eleven Thousand Four Hundred Thirty-Nine Dollars (\$11,439)
SEP Offset Amount:	Five Thousand Seven Hundred Nineteen Dollars (\$5,719)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	North Central Texas Council of Governments
Project Name:	<i>North Central Texas Clean School Bus Program</i>
Location of SEP:	Dallas - Fort Worth Air Quality Control Region No. 215; Wise County

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 **North Central Texas Council of Governments** for the *North Central Texas Clean School Bus Program* SEP. The contribution will be used in accordance with the SEP, the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to reduce nitrogen oxides (“NO_x”), volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel buses with newer buses, or retrofitting them with NO_x reduction technology, that meet more stringent emission standards. The Third-Party Administrator shall use the SEP Offset Amount for up to either 100% of the purchase price of a school bus that is model year 2010 or newer, to replace a diesel school bus that is model year 2002 or older, or 100% of the cost to retrofit a diesel school bus that is model year 2002 or older, and with NO_x reduction technology. The SEP will be performed 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 must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **North Central Texas Council of Governments SEP** and shall mail the contribution with a copy of the Agreed Order to:

NCTCOG
Centerpoint Two
616 Six Flags Drive
Arlington, Texas 76011

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:

Targa Midstream Services LLC
Agreed Order - Attachment A

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. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

Targa Midstream Services LLC
Agreed Order - Attachment A

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 PCW Screening EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent
 Reg. Ent. Ref. No.
 Facility/Site Region Major/Minor Source

CASE INFORMATION

Enf./Case ID No. No. of Violations
 Docket No. Order Type
 Media Program(s) Government/Non-Profit
 Multi-Media Enf. Coordinator
 EC's Team

Admin. Penalty \$ Limit Minimum Maximum

Penalty Calculation Section

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

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History Adjustment Subtotals 2, 3, & 7

Notes

Culpability Enhancement Subtotal 4

Notes

Good Faith Effort to Comply Total Adjustments Subtotal 5

Economic Benefit Enhancement* Subtotal 6

Total EB Amounts *Capped at the Total EB \$ Amount
 Estimated Cost of Compliance

SUM OF SUBTOTALS 1-7 Final Subtotal

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty

DEFERRAL Reduction Adjustment

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

Notes

PAYABLE PENALTY

Screening Date 24-Sep-2015

Docket No. 2015-1559-AIR-E

PCW

Respondent Targa Midstream Services LLC

Policy Revision 4 (April 2014)

Case ID No. 51323

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100238716

Media [Statute] Air

Enf. Coordinator Amancio R. Gutierrez

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of 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>)	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>)	1	-2%
<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) 16%

>> 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 order containing a denial of liability. Reduction for two notices of intent to conduct an audit and one disclosure of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 16%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 16%

Screening Date 24-Sep-2015
 Respondent Targa Midstream Services LLC
 Case ID No. 51323

Docket No. 2015-1559-AIR-E

PCW

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

Reg. Ent. Reference No. RN100238716
 Media [Statute] Air
 Enf. Coordinator Amancio R. Gutierrez

Violation Number

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit ("FOP") No. O3181, Special Terms and Conditions No. 12, and New Source Review Permit No. 84108, Special Conditions No. 8.C

Violation Description

Failed to comply with the operating temperature limit for the Regenerative Thermal Oxidizer ("RTO"). Specifically, the RTO, Emission Point Number ("EPN") RTO-1, was operated at a temperature below the minimum operating temperature of 1,500 degrees Fahrenheit for 10 days in April 2014 and was operated at a temperature below the minimum operating temperature of 1,600 degrees Fahrenheit for 31 days in October 2014, 27 days in December 2014, and 17 days in April 2015.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="15.0%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>

Matrix Notes

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

Adjustment

Violation Events

Number of Violation Events Number of violation days

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

Violation Base Penalty

Three quarterly events are recommended for the instances of non-compliance that occurred in April 2014, October 1, 2014 to December 31, 2014, and April 2015.

Good Faith Efforts to Comply

Reduction

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input checked="" type="checkbox"/>	<input type="text"/>
N/A	<input type="text"/>	(mark with x)

Notes The Respondent completed corrective measures on August 18, 2015, before the September 1, 2015 Notice of Enforcement ("NOE").

Violation Subtotal

Economic Benefit (EB) for this violation.

Statutory Limit Test

Estimated EB Amount Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Targa Midstream Services LLC
Case ID No. 51323
Reg. Ent. Reference No. RN100238716
Media Air
Violation No. 1

Percent Interest 5.0
Years of Depreciation 15

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

Delayed Costs

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)	\$5,000	2-Apr-2014	18-Aug-2015	1.38	\$345	n/a	\$345

Notes for DELAYED costs

Estimated cost to begin monitoring and recording all of the combustion chamber thermocouple temperatures for the RTO, EPN RTO-1, and to programmed an alarm to sound when the temperature drops below the minimum operating temperature. The Date Required is the first date of non-compliance and the Final date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$5,000

TOTAL \$345

Screening Date 24-Sep-2015
 Respondent Targa Midstream Services LLC
 Case ID No. 51323

Docket No. 2015-1559-AIR-E

PCW

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

Reg. Ent. Reference No. RN100238716
 Media [Statute] Air
 Enf. Coordinator Amancio R. Gutierrez

Violation Number

Rule Cite(s)

Violation Description

Base Penalty

>> Environmental, Property and Human Health Matrix

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

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text"/>

Percent

Matrix Notes

Adjustment

Violation Events

Number of Violation Events Number of violation days

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

Violation Base Penalty

Good Faith Efforts to Comply

	<input type="text" value="0.0%"/>	
	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="checkbox"/>	(mark with x)

Reduction

Notes

Violation Subtotal

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Targa Midstream Services LLC
Case ID No. 51323
Reg. Ent. Reference No. RN100238716
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment			0.00	\$0	\$0	\$0	
Buildings			0.00	\$0	\$0	\$0	
Other (as needed)			0.00	\$0	\$0	\$0	
Engineering/Construction			0.00	\$0	\$0	\$0	
Land			0.00	\$0	n/a	\$0	
Record Keeping System			0.00	\$0	n/a	\$0	
Training/Sampling			0.00	\$0	n/a	\$0	
Remediation/Disposal			0.00	\$0	n/a	\$0	
Permit Costs			0.00	\$0	n/a	\$0	
Other (as needed)	\$500	25-Aug-2014	31-May-2016	1.77	\$44	n/a	\$44

Notes for DELAYED costs

Estimated cost to report the deviation for failing to operate the RTO at or above the minimum operating temperature in the revised deviation reports for the January 26, 2014 through July 25, 2014 and July 26, 2014 through January 25, 2015 reporting periods. The Date Required is the date the first deviation report was due and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal			0.00	\$0	\$0	\$0
Personnel			0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling			0.00	\$0	\$0	\$0
Supplies/Equipment			0.00	\$0	\$0	\$0
Financial Assurance [2]			0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]			0.00	\$0	\$0	\$0
Other (as needed)			0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$500

TOTAL \$44

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 CN601301559, RN100238716, Rating Year 2015 which includes Compliance History (CH) components from September 1, 2010, through August 31, 2015.

Customer, Respondent, or Owner/Operator: CN601301559, Targa Midstream Services LLC
Classification: SATISFACTORY **Rating:** 0.29
Regulated Entity: RN100238716, CHICO GAS PLANT **Classification:** SATISFACTORY **Rating:** 1.00

Complexity Points: 11 **Repeat Violator:** NO

CH Group: 03 - Oil and Gas Extraction
Location: 383 COUNTY ROAD 1745 CHICO, TX 76431-2121, WISE COUNTY

TCEQ Region: REGION 04 - DFW METROPLEX

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER WN0005E
AIR NEW SOURCE PERMITS PERMIT 6763
AIR NEW SOURCE PERMITS AFS NUM 4849700012
AIR NEW SOURCE PERMITS REGISTRATION 49511
AIR NEW SOURCE PERMITS REGISTRATION 8079
AIR NEW SOURCE PERMITS PERMIT 84108
AIR NEW SOURCE PERMITS REGISTRATION 111952
AIR NEW SOURCE PERMITS REGISTRATION 126113

AIR OPERATING PERMITS PERMIT 3181
AIR NEW SOURCE PERMITS ACCOUNT NUMBER WN0005E
AIR NEW SOURCE PERMITS REGISTRATION 12611
AIR NEW SOURCE PERMITS REGISTRATION 8492
AIR NEW SOURCE PERMITS REGISTRATION 15934
AIR NEW SOURCE PERMITS REGISTRATION 86795
AIR NEW SOURCE PERMITS REGISTRATION 114971
AIR EMISSIONS INVENTORY ACCOUNT NUMBER WN0005E

INDUSTRIAL AND HAZARDOUS WASTE OTS REQUEST 36337

INDUSTRIAL AND HAZARDOUS WASTE OTS REQUEST 36405

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXP490351283

INDUSTRIAL AND HAZARDOUS WASTE OTS REQUEST 36454

Compliance History Period: September 01, 2010 to August 31, 2015

Rating Year: 2015

Rating Date: 09/01/2015

Date Compliance History Report Prepared: November 30, 2015

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: November 30, 2010 to November 30, 2015

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

Name: Amancio R. Gutierrez

Phone: (512) 239-3921

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:

See addendum for information regarding federal actions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	July 29, 2011	(941483)
Item 2	September 06, 2011	(948820)
Item 3	October 01, 2011	(957640)
Item 4	January 27, 2012	(981844)
Item 5	July 02, 2012	(1007262)
Item 6	November 08, 2012	(1008638)
Item 7	December 13, 2012	(1049874)
Item 8	April 15, 2013	(1076599)
Item 9	June 24, 2014	(1171533)

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.

N/A

F. Environmental audits:

Notice of Intent Date: 02/28/2011 (905549)

Disclosure Date: 07/27/2011

Viol. Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.116(a)(2)

Description: Failed to authorize emissions of benzene from Chico Gas Treater No. 1.

Notice of Intent Date: 06/30/2015 (1274474)

No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

Addendum to Compliance History Federal Enforcement Actions

Reg Entity Name: **TARGA MIDSTREAM SERVICES, CHICO G**

Reg Entity Add: 383 COUNTY RD 1745

Reg Entity City: CHICO

Reg Entity No: RN100238716

EPA Case No: **06-2012-1705**

Order Issue Date (yyyymmdd): 20140220

Case Result: Final Order with Penalty

Statute: CWA

Sect of Statute: 301/402

Classification: Minor

Program: NPDES - Base Program

Citation:

Violation Type:

Cite Sect:

Cite Part:

Enforcement Action: Administrative Penalty Order With or Without Inj

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
TARGA MIDSTREAM SERVICES
LLC
RN100238716**

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

**AGREED ORDER
DOCKET NO. 2015-1559-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 Targa Midstream Services LLC ("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 production plant located at 383 County Road 1745 in Chico, Wise 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 6, 2015.
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 Fourteen Thousand Two Hundred Ninety-Eight Dollars (\$14,298) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Five Thousand Seven

Hundred Twenty Dollars (\$5,720) of the administrative penalty and Two Thousand Eight Hundred Fifty-Nine Dollars (\$2,859) 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. Five Thousand Seven Hundred Nineteen Dollars (\$5,719) 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 on August 18, 2015, the Respondent began monitoring and recording all of the combustion chamber thermocouple temperatures for the Regenerative Thermal Oxidizer ("RTO"), Emission Point Number ("EPN") RTO-1, and programmed an alarm to sound when the temperature drops below the minimum operating temperature.
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 comply with the operating temperature limit for the RTO, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. O3181, Special Terms and Conditions No. 12, and New Source Review Permit No. 84108, Special Conditions No. 8.C, as documented during an investigation conducted on April 28, 2015. Specifically, the RTO, EPN RTO-1, was operated at a temperature below the minimum operating temperature of 1,500 degrees Fahrenheit for 10 days in April 2014 and was operated at a temperature below the minimum operating temperature of 1,600 degrees Fahrenheit for 31 days in October 2014, 27 days in December 2014, and 17 days in April 2015.

2. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE § 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and FOP No. O3181, General Terms and Conditions, as documented during an investigation conducted on April 28, 2015. Specifically, the deviation report for the January 26, 2014 through July 25, 2014 reporting period did not include a deviation for the instances the RTO was operating below the minimum operating temperature of 1,500 degrees Fahrenheit, and the deviation report for the July 26, 2014 through January 25, 2015 reporting period did not include a deviation for the instances the RTO was operating below the minimum operating temperature of 1,600 degrees Fahrenheit.

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: Targa Midstream Services LLC, Docket No. 2015-1559-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, Five Thousand Seven Hundred Nineteen Dollars (\$5,719) 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 assessed administrative penalty shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, submit a revised deviation report for the January 26, 2014 through July 25, 2014 reporting period that includes the deviation for failing to operate the RTO at or above the minimum operating temperature of 1,500 degrees Fahrenheit and submit a

revised deviation report for the July 26, 2014 through January 25, 2015 reporting period that includes the deviation for failing to operate the RTO at or above the minimum operating temperature of 1,600 degrees Fahrenheit; and

- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Dallas/Fort Worth Regional Office
Texas Commission on Environmental Quality
2309 Gravel Drive
Fort Worth, Texas 76118-6951

4. 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.
5. 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.
6. 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.

7. 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.
8. 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.
9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date

Pamela Manire J

For the Executive Director

4/29/16

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.

JK *Francis Foret*

Signature

2/8/2016

Date

FRANCIS FORET

Name (Printed or typed)
Authorized Representative of
Targa Midstream Services LLC

SR. VICE PRESIDENT OPERATIONS

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: 2015-1559-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Targa Midstream Services LLC
Penalty Amount:	Eleven Thousand Four Hundred Thirty-Nine Dollars (\$11,439)
SEP Offset Amount:	Five Thousand Seven Hundred Nineteen Dollars (\$5,719)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	North Central Texas Council of Governments
Project Name:	<i>North Central Texas Clean School Bus Program</i>
Location of SEP:	Dallas - Fort Worth Air Quality Control Region No. 215; Wise County

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 **North Central Texas Council of Governments** for the *North Central Texas Clean School Bus Program* SEP. The contribution will be used in accordance with the SEP the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to reduce nitrogen oxides (“NO_x”), volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel buses with newer buses, or retrofitting them with NO_x reduction technology, that meet more stringent emission standards. The Third-Party Administrator shall use the SEP Offset Amount for up to either 100% of the purchase price of a school bus that is model year 2010 or newer, to replace a diesel school bus that is model year 2002 or older, or 100% of the cost to retrofit a diesel school bus that is model year 2002 or older, and with NO_x reduction technology. The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

Targa Midstream Services LLC
Agreed Order - Attachment A

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 must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **North Central Texas Council of Governments SEP** and shall mail the contribution with a copy of the Agreed Order to:

NCTCOG
Centerpoint Two
616 Six Flags Drive
Arlington, Texas 76011

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:

Targa Midstream Services LLC
Agreed Order - Attachment A

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. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

Targa Midstream Services LLC
Agreed Order - Attachment A

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.