

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 4, 2014

Bridget Bohac, Chief Clerk
Texas Commission on Environmental Quality
Office of the Chief Clerk, MC-105
P.O. Box 13087
Austin, Texas 78711-3087

Re: DCP Sand Hills Pipeline, LLC
TCEQ Docket No. 2014-0288-MIS-U; Use Determination No. 17494
Executive Director's Response to Edwards Central Appraisal District's Appeal of
the Executive Director's Use Determination

Dear Ms. Bohac:

Enclosed for filing, please find an original and 7 copies of the "Executive Director's Response to Edwards Central Appraisal District's Appeal of the Executive Director's Use Determination."

Sincerely,

A handwritten signature in cursive script that reads "Don Redmond".

Don Redmond, Attorney
Environmental Law Division

**TCEQ DOCKET NO. 2014-0288-MIS-U
USE DETERMINATION NO. 17494**

APPEAL OF THE EXECUTIVE DIRECTOR'S USE DETERMINATION ISSUED TO DCP SAND HILLS PIPELINE, LLC APPLICATION NO. 17494	§ § § § §	BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
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**THE EXECUTIVE DIRECTOR'S RESPONSE TO EDWARDS CENTRAL
APPRAISAL DISTRICT'S APPEAL OF THE EXECUTIVE DIRECTOR'S USE
DETERMINATION**

The Executive Director of the Texas Commission on Environmental Quality (the Commission or TCEQ) files this response to Edwards Central Appraisal District's (Appraisal District) appeal of the Executive Director's positive use determination issued to DCP Sand Hills Pipeline, LLC (Applicant). The appeal was submitted by Sandee Giles, Chief Appraiser of the Appraisal District.

For the reasons described below, the Executive Director respectfully requests that the Commission deny the Appraisal District's appeal and affirm the Executive Director's positive use determination.

PROGRAM BACKGROUND

This appeal of the Executive Director's use determination is filed pursuant to 30 Texas Administrative Code (TAC) § 17.25, establishing the appeals process for use determinations issued by the Executive Director under 30 TAC Chapter 17 pursuant to TEX. TAX CODE § 11.31.

In 1993, the citizens of Texas voted to adopt a tax measure called Proposition 2. Proposition 2 was implemented when Article VIII, § 1-1 was added to the Texas Constitution on November 2, 1993. The amendment allowed the legislature to "exempt from ad valorem taxation all or part of real and personal property used, constructed, acquired, or installed wholly or partly to meet or exceed rules or regulations adopted by any environmental protection agency of the United States, this state, or a political subdivision of this state for the prevention, monitoring, control, or reduction of air, water, or land pollution."

The Texas Legislature codified the constitutional amendment in 1993 as TEX. TAX CODE § 11.31 (effective January 1, 1994). The statutory language in the codified version mirrored the language of Article VIII, § 1-l. Under the Prop 2 program, certain property owners may apply to the executive director for a determination of pollution control use for their subject property. In 2001, the legislature amended TEX. TAX CODE § 11.31 when it passed HB 3121 (effective September 1, 2001). This bill added several new procedural requirements to TEX. TAX CODE § 11.31, including a provision requiring the establishment and implementation of a process to appeal use determinations. The amendment also required the Commission to adopt new rules establishing specific standards for the Executive Director to follow in making use determinations for property that qualified for either full or partial positive use determinations.¹ Appeals under 30 TAC § 17.25 may be filed by either the applicant seeking the determination, or by the chief appraiser of the tax appraisal district affected by the determination.² The appellant is required to explain the basis for the appeal.³

PROCEDURAL HISTORY

On December 19, 2013, DCP Sand Hills, LLC filed an application for a Tier II 100% positive use determination for its nondestructive testing procedures conducted on the portion of its 20-inch diameter natural gas liquids (NGL) pipeline located in Edwards County.⁴ The application indicated that 58.4 miles of the NGL pipeline is located in Edwards County.⁵ The application stated that the purpose of the testing procedures was to detect and prevent leaks in the NGL pipeline.⁶ The application stated that testing is required under the regulations of the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) and cited rule 49 Code of Federal Regulations § 195.228(a).⁷ On February 6, 2014, the Executive Director issued a 100% positive use determination for all of the pollution control property claimed in the Application.⁸ The Appraisal District's appeal of the positive use determination was filed with the TCEQ's Office of the Chief Clerk on February 14, 2014.

¹ TEX. TAX CODE § 11.31(g).

² TEX. TAX CODE § 11.31(e) and 30 TAC § 17.25(a)(2).

³ 30 TAC § 17.25(b)(5).

⁴ Use Determination Application No. 17494, p. 3-4 (Included as **Attachment 1**).

⁵ *Id.* at 3.

⁶ *Id.* at 4.

⁷ *Id.*

⁸ Use Determination No. 17494 (Included as **Attachment 2**)

PROPERTY DESCRIPTION

DCP Sand Hill's application seeks a use determination for its expenditures on testing procedures required to detect and prevent leaks in its pipeline. The Applicant describes the radiography testing that was performed on the pipeline welds to detect any defects in the welds. Usually, use determinations are sought for specific pieces of tangible property, equipment or devices. However, "pollution control property" is defined as "a facility, device, or method for control of air, water, and/or land pollution as defined by TTC, § 11.31(b)." Under Tax Code Section 11.31(d), the Executive Director shall determine if the facility, device, or method is used wholly or partly as a facility, device, or method for the control of air, water or land pollution." A method is a process or procedure. In issuing the positive use determination, the Executive Director determined that the nondestructive testing procedures are a method used wholly for the control of air, water or land pollution. Consequently, the Executive Director issued a 100% positive use determination.

APPELLANT'S CLAIM

In its appeal, the Appraisal District contends that the subject property does not exist in Edwards County; that the subject property is intangible and not taxable; and that the testing performed on the pipeline is not part of the pipeline.⁹

LEGAL ANALYSIS

DCP SAND HILLS IS ENTITLED TO A POSITIVE USE DETERMINATION BUT THE EXECUTIVE DIRECTOR HAS NO ROLE IN DETERMINING WHETHER THE TESTING METHODS ARE TAXABLE PROPERTY IN EDWARDS COUNTY.

The Executive Director's role under TEX. TAX CODE § 11.31 and 30 TAC Chapter 17 is to review applications and determine if the facility, device or method is used wholly or partly as a facility, device or method for the control of air, water or land pollution. The Executive Director does not: establish the value of the subject property; issue tax exemptions for the

⁹ Edwards Central Appraisal District's Appeal of the Use Determination, p. 1

property subject to a use determination; nor determine whether the property is otherwise subject to taxation.

In this case, the Executive Director reviewed the application for a use determination and determined that the testing procedures used on the pipeline welds were a method used wholly for the control of air, water or land pollution. Thus, the Executive Director issued a 100% positive use determination to DCP Sand Hills, Inc.

It appears that the Appraisal District's concerns are not about the Executive Director's use determination. Instead, the Appraisal District contends that testing methods are not property that is taxed in Edwards County and that the testing methods are not part of the pipeline or other property that would be taxed in Edwards County. The Appraisal District's contentions may all be correct. The contentions are just not considerations that are part of Executive Director's responsibility in issuing use determinations under TEX. TAX CODE § 11.31.

The use determination is one step in the process for obtaining an exemption from taxation under TEX. TAX CODE § 11.31. After receiving a use determination, the person seeking a tax exemption provides the chief appraiser with the Executive Director's letter under TEX. TAX CODE § 11.31(i). The chief appraiser must accept a final determination by the Executive Director as conclusive evidence that the facility, device or method is used wholly or partly as pollution control property. Acceptance of the use determination does not require the chief appraiser to determine that the property is taxable property in the first place. The Executive Director has no role or expertise in determining whether the subject testing procedures are taxable property in Edwards County. Acceptance of the use determination on the testing procedures does not require the chief appraiser to exempt *other* property, such as the pipeline, that was not part of the Executive Director's use determination. The Executive Director did not issue a use determination for the pipeline.

It is possible that the applicant, DCP Sand Hill, applied for and obtained a positive use determination for its expenditures on weld testing when the weld testing is not property subject to taxation. It is also possible that the applicant applied for and obtained a positive use determination for its expenditures on weld testing when it would not be considered in the valuation or taxation of other property the applicant owns, such as the pipeline itself. However, those possibilities are not considered by the Executive Director in review of the use determination application.

CONCLUSION

After careful review of the issues raised in the appeal, the Executive Director respectfully recommends that the commission deny the appeal and affirm the Executive Director's positive use determination. Although the Appraisal District may have legitimate concerns regarding whether the weld testing is property that is subject to taxation or how it would be considered in appraising other property, those concerns are not part of the TCEQ's use determination process under TEX. TAX CODE § 11.31. The Executive Director reviewed DCP Sand Hill's application, found that the application met the requirements of 30 TAC Chapter 17, and determined the weld testing was used wholly as a method for the control of air, water, or land pollution. The Executive Director's determination should be affirmed.

Respectfully submitted,

Texas Commission on Environmental Quality

Richard Hyde
Executive Director

Robert Martinez, Director
Environmental Law Division

By Don Redmond
Don Redmond, Attorney
State Bar #24010336
Environmental Law Division
P.O. Box 13087, MC-173
Austin, Texas 78711-3087
Phone: 512.239.0600
Fax: 512.239.0606

REPRESENTING THE
EXECUTIVE DIRECTOR OF THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

CERTIFICATE OF SERVICE

I certify that on June 4, 2014, an original and seven copies of the “Executive Director’s Response to Edward Central Appraisal District’s Appeal of the Executive Director’s Positive Use Determination” was filed with the Texas Commission on Environmental Quality’s Office of the Chief Clerk, and a complete copy was transmitted by mail, facsimile, electronic mail or hand-delivery to all persons on the attached mailing list.

By Don Redmond
Don Redmond, Attorney
Environmental Law Division

Mailing List
DCP Sand Hills Pipeline, LLC
TCEQ Docket No. 2014-0288-MIS-U

Sandee Giles RPA
Chief Appraiser
Edwards Central Appraisal District
P.O. Box 858
Rocksprings, Texas 78880-9998
FAX 830.683.4193

Kathryn Tronsberg Macciocca
c/o Duff & Phelps LLC
919 Congress Ave., Suite 1450
Austin, Texas 78701

Kathryn Tronsberg Macciocca
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Blas Coy
TCEQ Office of Public Interest Council MC 105
P.O. Box 13087
Austin, Texas 78711-3087

Kyle Lucas
TCEQ Alternative Dispute Resolution Program
P.O. Box 13087
Austin, Texas 78711-3087

Docket Clerk
TCEQ Office of Chief Clerk MC 105
P.O. Box 13087
Austin, Texas 78711-3087

Attachment 1

17494

Texas Commission on Environmental Quality Use Determination for Pollution Control Property Application

A person seeking a use determination must complete this application form. For assistance in completing the application form please refer to the *Instructions for Use Determination for Pollution Control Property Application Form TCEQ-00611*, as well as the rules governing the Tax Relief Program in Title 30 Texas Administrative Code Chapter 17 (30 TAC 17). Information relating to completing this application form is also available in the TCEQ regulatory guidance document, *Property-Tax Exemptions for Pollution Control Property, RG-461*. For additional assistance, please call the Tax Relief Program at 512-239-4900.

You must supply information for each field of this application form unless otherwise noted.

Section 1. Property/Equipment Owner Information

1. Company Name of Owner: **DCP Sand Hills Pipeline, LLC**
2. Mailing Address: **5718 Westheimer Road, Suite 1900**
3. City, State, Zip: **Houston, Texas 77057-5774**
4. Customer Number (CN): **N/A - CN Not Required for Owner Entity**
5. Regulated Entity Number (RN): **N/A - Not Required for Pipelines**
6. Is this property/equipment owned by the CN listed in Question 4? Yes No

If the answer is 'No,' please explain: **N/A - CN Not Required for Owner Entity**

7. Is this property/equipment subject to any lease or lease-to-own agreement? Yes No

If the answer is 'Yes,' please explain: **N/A**

8. Is this property/equipment operated by the RN listed in Question 5? Yes No

If the answer is 'No,' please explain: **RNs Not Required for Pipelines**

Section 2. Physical Location of Property/Equipment

1. Name of Facility or Unit where the property/equipment is physically located:
Sand Hills Pipeline
2. Type of Mfg. Process or Service: **Pipeline Transportation of Natural Gas Liquids**
3. Street Address: **20" Natural Gas Liquids Pipeline**
4. City, State, Zip: **58.4 miles of 20" pipeline running from north of Interstate 55 to south of Interstate 377 in Edwards County**
5. County: **Edwards County**
6. Appraisal District Account Number(s): **New in 2014**

Section 3. Name of Property/Equipment Operator (If different from Owner)

1. Company Name: N/A
2. Mailing Address: N/A
3. City, State, Zip: N/A
4. Customer Number (CN): N/A
5. Regulated Entity Number (RN): N/A

Section 4. Contact Name

1. Company Name: **Duff & Phelps, LLC**
2. First Name of Contact: **Kathryn**
3. Last Name of Contact: **Tronsberg Macciocca**
4. Salutation: Mr. Mrs. Ms. Dr. Other:
5. Title: **Director, Property Tax**
6. Mailing Address: **919 Congress Avenue, Suite 1450**
7. City, State, Zip: **Austin, Texas 78701**
8. Phone Number/Fax Number: **(215) 430-6059**
9. Email Address: **kathryn.tronsberg@duffandphelps.com**
10. Tracking Number (optional): **SH-2014-91**

Section 5. General Information

1. What is the type of ownership of this facility?
Corporation Limited Partner Other:
Sole Proprietor Limited Liability Corporation
Partnership Utility
2. Size of Company: Number of Employees
0 to 99 500 to 999 2,000 to 4,999
100 to 499 1,000 to 1,999 5,000 or more
3. Business Description: (Briefly describe the type of business or activity at the facility)

Pipeline Transportation of Natural Gas Liquids

4. Provide the North American Industry Classification System (NAICS) six-digit code for this facility.

486910 - Pipeline Transportation of Refined Petroleum Products

Section 6. Property/Equipment Description, Applicable Rule, and Environmental Benefit

For each piece, or each category, of pollution control property/equipment for which a use determination is being sought, answer the following questions.

Attach additional response sheets to the application for each piece of integrated pollution control property/equipment if a use determination is being sought for more than one (1) piece.

General Information

1. Name the property/equipment: **Nondestructive Testing Expenditures**
2. Is the property/equipment used 100% as pollution control equipment? Yes No
*If the answer is 'Yes,' explain how it was determined that the equipment is used 100% for pollution control: **Nondestructive Testing Expenditures are used solely as a form of NGL leak detection and prevention.***
3. Does the property/equipment generate a Marketable Product? Yes No
If the answer is 'Yes,' describe the marketable product: N/A
4. What is the appropriate Tier I Table or Expedited Review List number?
Tier II
5. Is the property/equipment integrated pollution control equipment? Yes No
If the answer is 'No,' separate applications must be filed for each piece of property/equipment.
6. List applicable permit number(s) for the property/equipment:
N/A – Not Required for Pipelines

Incremental Cost Difference

7. Is the Tier I Table percentage based on the incremental cost difference? Yes No
If the answer is 'Yes,' answer the following questions:
8. What is the cost of the new piece of property/equipment? **N/A**
9. What is the cost of the comparable property/equipment? **N/A**
10. How was the value of the comparable property/equipment calculated? **N/A**

Property/Equipment Description

11. Describe the property/equipment. (What is it? Where is it? How is it used?)

Facility Background

The Sand Hills Pipeline (the "Pipeline") is a 20-inch diameter, 720-mile natural gas liquids ("NGL") pipeline designed to provide NGL transportation from the Permian Basin and Eagle Ford region to the premium NGL markets on the Gulf Coast. The Pipeline has a current design capacity of 200,000 barrels per day, which is expandable to 350,000 barrels per day with future pumping station additions. The Pipeline was placed in service in 2013 with a target throughput capacity of 130,000 barrels per day. The subject segment of the Pipeline is 58.4 miles of 20" pipe in Edwards County.

Pollution Control Property Description- Nondestructive Testing Expenditures

During Pipeline construction, weld inspections and testing must be conducted as a form of leak detection and prevention. Radiography, one of the most reliable and widely used nondestructive testing methods, has been carried out on the Pipeline using X-rays to detect internal flaws, defects, or damage in the welds.¹

Radiography testing is performed by using radiation from a controlled source to penetrate the test items (in this case, Pipeline welds) and expose a specially formulated film. As the radiation passes through the Pipeline weld, a portion of it is absorbed by the molecular structure of the material. The amount of radiation absorbed depends on the density and composition of the material. As any cracks, fissures, and pockets in the material have different densities, they will be characterized by different exposure values as more or less radiation penetrates at those points during exposure.²

Nondestructive testing is instrumental in detecting weld defects that may lead to inadvertent NGL leakage from the Pipeline once operational. Leaked NGLs may become a fugitive material that can contribute to the pollution of waters and lands of the State of Texas.

Applicable Rule

12. What adopted environmental rule or regulation is being met by the construction or installation of the property/equipment? The citation must be to the subsection level.

Should any leaked NGLs inadvertently be released from the Pipeline during handling, they are non-recoverable and meet the definition of "Industrial Solid Waste" as defined in 30 Texas Administrative Code ("TAC") §335.1(79) and the definition of "Solid Waste" as defined in 30 TAC §355.1(138)(a). The Nondestructive Testing efforts are implemented to meet the requirements of 30 TAC §355.4 under which:

"...no person may **cause**, suffer, **allow**, or **permit** the collection, **handling**, processing, or **disposal of industrial solid waste** or municipal hazardous waste in such a manner as to cause (1) the discharge **or imminent threat of discharge** of industrial solid waste or municipal hazardous waste into or adjacent to the waters in the state" [emphasis added]

Furthermore, hazardous liquids pipelines are regulated by the US Department of Transportation Pipeline and Hazardous Materials Safety Administration ("PHMSA"), who requires under 49 Code of Federal Regulations ("CFR") §195.228(a) that each pipeline weld must be inspected, and visual inspections must be supplemented by nondestructive testing to ensure pipeline integrity and reduce and/or prevent the unintended leakage of fugitive material from a damaged or incorrectly installed pipeline weld. Per 49 CFR §195.234(a), pipeline welds may be nondestructively tested by any method that will clearly indicate any defects that may affect weld integrity.

¹ Trinity NDT, 2012. <http://www.trinityndt.com/services.php>.

² Ibid.

Environmental Benefit

13. What is the anticipated environmental benefit related to the construction or installation of the property/equipment?

Nondestructive Testing is instrumental in detecting weld defects that may lead to inadvertent NGL leakage from the Pipeline that can contribute to the pollution of waters and lands of the State of Texas.

Section 7. Process Flow Diagram (Optional)

Attach documentation to the application showing a Process Flow Diagram for the property/equipment.

A process flow diagram has not been provided for this application.

Section 8. Partial-Use Percentage Calculation

This section must be completed for all Tier III applications. Attach documentation to the application showing the calculations used to determine the partial-use percentage for the property/equipment.

The application is for 100% Tier II Pollution Control Property.

Section 9. Property Categories and Costs

List each piece of property/equipment of integrated pollution control property/equipment for which a use determination is being sought.

Property/Equipment Name	Tier 1 Table No. or Expedited Review List No.	Use Percent	Estimated Dollar Value
Land:			
Property: Nondestructive Testing Expenditures	Tier II	100%	\$861,343
Property:			
Total:			\$861,343

Attach additional response sheets to the application if more than five (5) pieces of property/equipment need to be listed.

NOTE: Separate applications must be filed for each piece of nonintegrated pollution control property/equipment.

Section 10. Type of Application and Fee

1. Type of Application being filed: *Select only one.*

Tier I – Fee: \$150

Tier II – Fee: \$1,000

Tier III – Fee: \$2,500

2. Fee Payment Type:

Check

Money Order

Electronic Payment

3. Payment Receipt Number: **N/A**

4. Payment Amount: **\$1,000.00**

5. Payer Name on Payment: **Duff & Phelps**

6. Total Amount of Payment: **\$1,000.00**

NOTE: Enclose a check, money order to the TCEQ, or a copy of the ePay receipt along with the application to cover the required fee.

In accordance with the TCEQ's Delinquent Fee Protocol, the Tax Relief Program will not consider applications administratively complete until all delinquent fees the company owes to the TCEQ are paid.

Information regarding the TCEQ's Delinquent Fee Protocol is available at:

<http://www.tceq.state.tx.us/agency/delin/index.html>.

Section 11. Certification Statement

Must be signed by owner or designated representative.

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I further certify that the property/equipment listed in this application is eligible for a tax exemption under Texas Tax Code, §11.31 given that:

- the property/equipment is not solely used, constructed, acquired, or installed to manufacture or produce a good or provide a service, including a good or service that prevents, monitors, controls, or reduces air, water or land pollution,
- the environmental benefit associated with the property/equipment is not wholly derived from the use or characteristics of the goods or services produced by the property/equipment,
- the property/equipment is wholly or partly used, constructed, acquired, or installed to meet or exceed law, rule, regulation adopted by an environmental protection agency of the United States, Texas, or a political subdivision of Texas for the prevention, monitoring, control, or reduction of air, water, or land pollution,
- the property/equipment is not used for residential purposes, or for recreational, park, or scenic uses as defined by Texas Tax Code, §23.81,
- the property/equipment is not a motor vehicle, except for a dedicated service motor vehicle used solely for pollution control, and
- the property/equipment was not acquired, constructed, or installed before January 1, 1994.

I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Printed Name: Kathryn Tronsberg Macciocca

Date: 12-18-13

Signature: _____

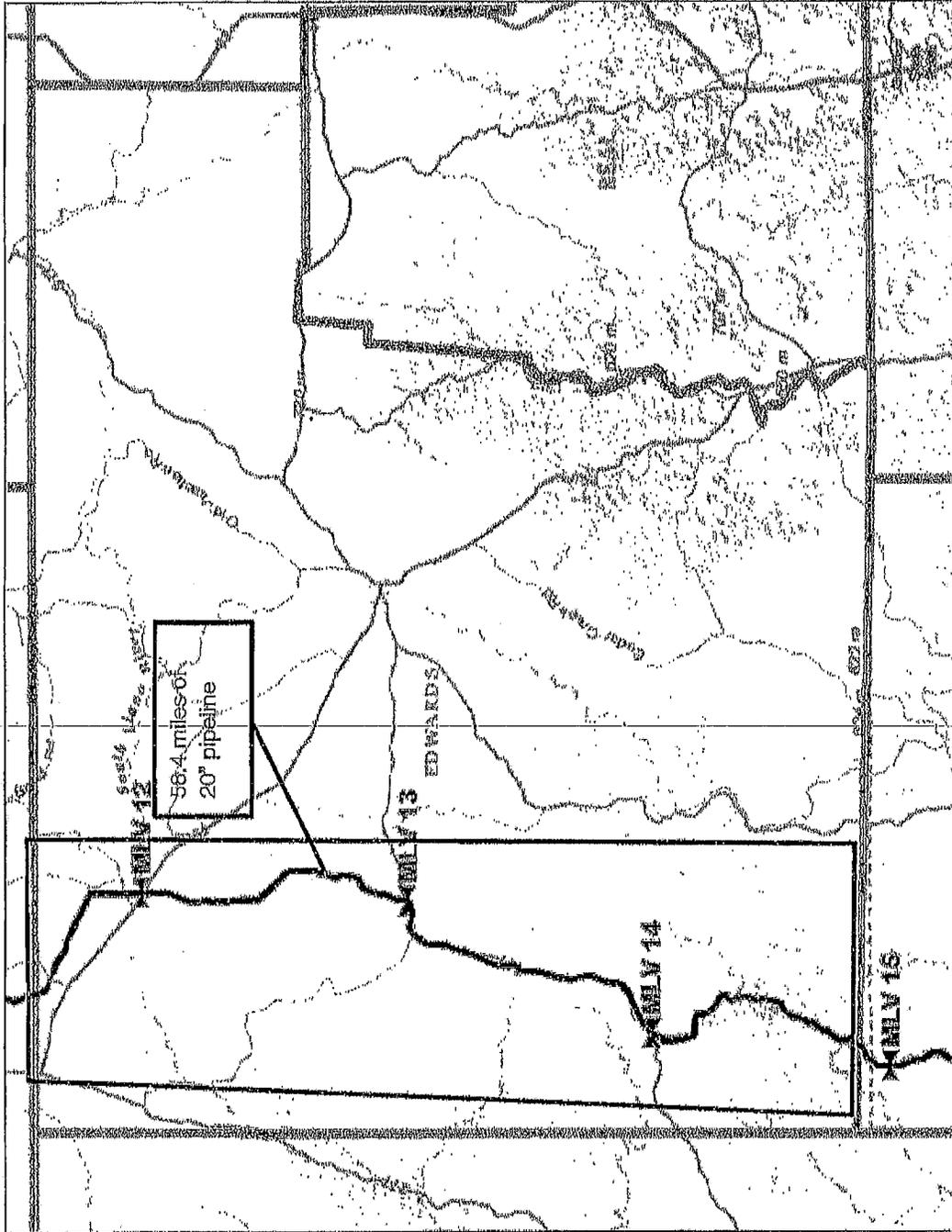
Kathryn Tronsberg Macciocca

Title: Director

Company Name: Duff & Phelps, LLC

Under Texas Penal Code 37.10, if you make a false statement on this application, you could receive a jail term of up to one year and a fine up to \$2,000, or a prison term of two to 10 years and a fine of up to \$5,000.

Attachment A



PAY TO THE ORDER OF
OF STATE COMPTROLLER
TCEQ

DUFF & PHELPS

412306 \$20.00

TCEQ Cashier's Office - MC-214
Building A
12100 Park 35 Circle
Austin, TX 78753

December 19, 2013

Re: Application for Use Determination for Water Pollution Control Property Located at Sand Hills Pipeline (the "Facility") in Edwards County

Enclosed please find one application (the "Application") for property tax exemption for Water Pollution Control Property located at Sand Hills Pipeline (the "Facility") in Edwards County, Texas. A copy of the Application has been provided for the appraisal district.

Pursuant to Title 30 of Chapter 17 of the Texas Administrative Code, the Application has been prepared using the Texas Commission on Environmental Quality ("TCEQ") Application for Use Determination for Pollution Control Property. The enclosed application is a Tier II Application. Submission of this Application is required as a process step in the TCEQ's pollution control certification process for tax exemption of certain assets used in pollution control capacities within the Facility. As outlined by the application instructions, the fee for this Tier II Application is \$1000. Please find enclosed a check for the \$1000 Tier II Application Fee.

The Application can be summarized as follows:

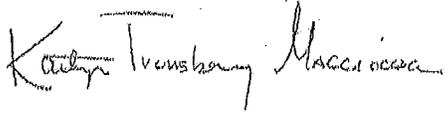
Property	Description	Estimated Cost
Tier II	Nondestructive Testing	\$ 861,343

Please send one copy of the completed property tax exemption Use Determination to the following address:

Kathryn Tronsberg Macciocca
c/o Duff & Phelps LLC
919 Congress Avenue, Ste 1450
Austin, TX 78701

If you have any questions regarding the Application or the information supplied within the Application, please feel free to contact me at (215) 430-6059 or by e-mail at kathryn.tronsberg@duffandphelps.com.

Very truly yours,

A handwritten signature in cursive script that reads "Kathryn Tronsberg Macciocca". The signature is written in dark ink and is positioned above the typed name.

Kathryn Tronsberg Macciocca
Director
Property Tax

Enclosures

The State of Texas
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



Application Number: 17494

County: Edwards

USE DETERMINATION CERTIFICATE

This certifies that
DCP Sand Hills Pipeline, LLC
Sand Hills Pipeline - Edwards County
natural gas liquids pipeline - 20 inch
Edwards County, Texas

installed the following property that is used 100% for pollution control to meet or exceed federal or state regulations:
nondestructive pipeline testing expenditures - radiography.

February 6, 2014

Date

A handwritten signature in black ink, appearing to read "R. A. Hyde".

Richard A. Hyde, P.E.
Executive Director