UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION IX

	July 7, 202 4:30 p	
	4:30 P.M. EPA REGION RING CLERK	4
No.		

In the Matter of:)	U.S. EPA Docket No.
)	
)	CAA § 112(r)-09-2025-0015
AmeriGas Propane, L.P.)	
)	CONSENT AGREEMENT AND
)	FINAL ORDER PURSUANT TO
Respondent.)	40 C.F.R. SECTIONS 22.13 AND
)	22.18
)	

CONSENT AGREEMENT

A. PRELIMINARY STATEMENT

- This is a civil administrative enforcement action instituted pursuant to Sections 113(a)(3)(A) and (d) of the Clean Air Act ("CAA"), as amended, 42 U.S.C. §§ 7413(a)(3)(A), (d), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, as codified at 40 Code of Federal Regulations (C.F.R.) Part 22 ("Consolidated Rules").
- 2. The Administrator has delegated enforcement authority under CAA Section 113(d),42 U.S.C. § 7413(d), to the Regional Administrator of the EPA Region 9, who in turn has delegated this authority to the Director of the Enforcement and Compliance Assurance Division, hereinafter, "Complainant."
- 3. Respondent is AmeriGas Propane, L.P. ("Respondent"), a Delaware limited partnership.
- 4. This Consent Agreement and Final Order (CA/FO), which contains the elements of a complaint required by 40 C.F.R. § 22.14(a)(1)-(3) and (8), simultaneously commences and concludes this penalty proceeding, as authorized by 40 C.F.R. §§ 22.13(b) and 22.18(b)(2) and (3).
- 5. Complainant and Respondent agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their respective interest and in the public interest.

B. PARTIES BOUND

6. This CA/FO shall apply to and be binding on Respondent, Respondent's officers, directors, partners, agents, employees, contractors, successors and assigns. Action or inaction of any persons, firms, contractors, employees, agents, or corporations acting under, through, or for Respondent shall not excuse any failure of Respondent to fully perform its obligations under this CA/FO. Changes in ownership, real property interest, or transfer of personal assets shall not alter Respondent's obligations under this CA/FO.

C. STATUTORY AND REGULATORY FRAMEWORK

- 7. Pursuant to CAA Section 112(r)(7), 42 U.S.C. § 7412(r)(7), and its implementing regulations, owners and operators of stationary sources at which a regulated substance is present in more than a threshold quantity ("TQ") must prepare and implement a risk management plan ("RMP") to detect and prevent or minimize accidental release of such substances from the stationary source, and to provide a prompt emergency response to any such releases in order to protect human health and the environment.
- 8. CAA Sections 111(a)(3) and 112(a)(3), 42 U.S.C. §§ 7411(a)(3) and 7412(a)(3), define "stationary source" as "any building, structure, facility, or installation which emits or may emit any air pollutant."
- 9. Propane is a "regulated flammable substance" listed under CAA Section 112(r)(3), 42 U.S.C. § 7412(r)(3), with a TQ of 10,000 lbs. See 40 C.F.R. § 68.130, Table 3.
- 10. Under CAA Section 112(r)(7), 42 U.S.C. § 7412(r)(7), and 40 C.F.R. § 68.10(i), the owner or operator of a covered stationary source with a process in an NAICS code listed in 40 C.F.R. § 68.10(i)(1) or subject to the OSHA process safety management standard set forth in 29 C.F.R. § 1910.119 is subject to the "Program 3" requirements set forth in 40 C.F.R. § 68.12(d).
- 11. Under CAA Section 112(r)(7), 42 U.S.C. § 7412(r)(7), and 40 C.F.R. § 68.12(d), facilities subject to the Program 3 requirements are required to implement the prevention requirements set forth in 40 C.F.R. §§ 68.65 through 68.87 and the emergency response program requirements set forth in 40 C.F.R. §§ 68.90 through 68.96.

D. GENERAL ALLEGATIONS

- 12. Respondent is the largest retail propane distributor in the United States based on the volume of propane gallons distributed annually. Respondent operates more than 1,300 propane distribution locations throughout the United States.
- 13. At all times relevant to this CA/FO, Respondent has been a "person" as defined in CAA Section 302(e), 42 U.S.C. § 7602(e).

- 14. At all times relevant to this CA/FO, Respondent operated retail propane distribution facilities (the "Facilities") located at:
 - a. 2463 North Test Cell Court, Atwater, California;
 - b. 1001 Riverside Drive, Barstow, California; and
 - c. 7700 North Virginia Street, Reno, Nevada.
- 15. At all times relevant to this CA/FO, Respondent has been the owner or operator of the Facilities.
- 16. At all times relevant to this CA/FO, the real property and improvements thereto located at the Facilities are a "stationary source" as defined by CAA Sections 111(a)(3) and 112(a)(3), 42 U.S.C. §§ 7411(a)(3) and 7412(a)(3).
- 17. At all times relevant to this CA/FO, Respondent produced, used or stored more than 10,000 lbs of propane at the Facilities.
- 18. At all times relevant to this CA/FO, Respondent was subject to Program 3 requirements because there are public receptors within the distance to the endpoint for the worst-case release from its Facilities and was subject to the OSHA process safety management standard set forth in 29 C.F.R. § 1910.119.

E. ALLEGED VIOLATION

<u>Count I</u> (Failure to Revise and Update RMP)

- 19. Paragraphs 1 through 18, above, are incorporated herein by this reference as if they were set forth here in their entirety.
- 20. Pursuant to 40 C.F.R. § 68.190(b)(1), the owner or operator of a stationary source shall revise and update the RMP submitted under 40 C.F.R. § 68.150 at least once every five years from its most recent update.
- 21. Respondent's five-year deadline for submitting a revised and updated RMP for its Atwater facility was March 29, 2023. Respondent submitted the RMP 57 days late on May 25, 2023.
- 22. Respondent's five-year deadline for submitting a revised and updated RMP for its Barstow facility was March 27, 2023. Respondent submitted the RMP 49 days late on May 15, 2023.

- 23. Respondent's five-year deadline for submitting a revised and updated RMP for its Reno facility was May 9, 2023. Respondent submitted the RMP 18 days late on May 15, 2023.
- 24. Accordingly, EPA alleges that by failing to timely update the RMP at each of these facilities, Respondent violated the requirements set forth at CAA Section 112(r)(7), 42 U.S.C. § 7412(r)(7), and 40 C.F.R. § 68.190.

F. CIVIL PENALTY

- 25. Respondent agrees to pay a civil penalty in the amount of TWENTY-SEVEN THOUSAND FIVE HUNDRED THIRTY-THREE DOLLARS (\$27,533) ("Assessed Penalty") within thirty (30) calendar days of the Effective Date of this CA/FO. The Effective Date of this CA/FO as defined in Section N, below, is the date the Final Order, signed by the Regional Judicial Officer, is filed with the Regional Hearing Clerk.
- 26. Respondent shall pay the Assessed Penalty and any interest, fees, and other changes due using any method, or combination of appropriate methods, as provided on the EPA website:

https://www.epa.gov/financial/makepayment. For additional instructions see: https://www.epa.gov/financial/additional-instructions-making-payments-epa.

- 27. When making a payment, Respondent shall:
 - a. Identify every payment with Respondent's name and the docket number of this Agreement, CAA § 112(r)-09-2025-0015.
 - b. Concurrently with any payment or within 24 hours of any payment, Respondent shall serve proof of such payment to the following persons via electronic mail:

Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 9
R9HearingClerk@epa.gov

Anuka King Enforcement and Compliance Assurance Division U.S. Environmental Protection Agency - Region 9 king.anuka@epa.gov

and

U.S. Environmental Protection Agency Cincinnati Finance Department CINWD_AcctsReceivable@epa.gov "Proof of payment" means, as applicable, a copy of the check, confirmation of credit card or debit card payment, or confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with the appropriate docket number and Respondent's name.

- 28. <u>Interest, Charges, and Penalties on Late Payments</u>. Pursuant to 31 U.S.C. § 3717, 31 C.F.R. § 901.9, and 40 C.F.R. § 13.11, if Respondent fails to timely pay the full amount of the Assessed Penalty per this Agreement, EPA is authorized to recover, in addition to the amount of the unpaid Assessed Penalty, the following amounts.
 - a. <u>Interest</u>. Interest begins to accrue from the Filing Date. If the Assessed Penalty is paid in full within thirty (30) days, interest accrued is waived. If the Assessed Penalty is not paid in full within thirty (30) days, interest will continue to accrue until any unpaid portion of the Assessed Penalty as well as any interest, penalties, and other charges are paid in full. To protect the interests of the United States the rate of interest is set at the Internal Revenue Service ("IRS") large corporate underpayment rate, any lower rate would fail to provide Respondent adequate incentive for timely payment.
 - b. <u>Handling Charges.</u> Respondent will be assessed monthly a charge to cover EPA's costs of processing and handling overdue debts. If Respondent fails to pay the Assessed Penalty in accordance with this Agreement, EPA will assess a charge to cover the costs of handling any unpaid amounts for the first thirty (30) day period after the Filing Date. Additional handling charges will be assessed every thirty (30) days, or any portion thereof, until the unpaid portion of the Assessed Penalty as well as any accrued interest, penalties, and other charges are paid in full.
 - c. <u>Late Payment Penalty</u>. A late payment penalty of six percent (6%) per annum, will be assessed monthly on all debts, including any unpaid portion of the Assessed Penalty, interest, penalties, and other charges, that remain delinquent more than ninety (90) days. Any such amounts will accrue from the Filing Date.
- 29. <u>Late Penalty Actions</u>. In addition to the amounts described in the prior Paragraph, if Respondent fails to timely pay any portion of the Assessed Penalty, interest, or other charges and penalties per this Agreement, EPA may take additional actions. Such actions EPA may take include, but are not limited to, the following.
 - a. Refer the debt to a credit reporting agency or a collection agency, per 40 C.F.R. §§ 13.13 and 13.14.
 - b. Collect the debt by administrative offset (i.e., the withholding of money payable by the United States government to, or held by the United States government

- for, a person to satisfy the debt the person owes the United States government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, per 40 C.F.R. Part 13, Subparts C and H.
- c. Suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with EPA or engaging in programs EPA sponsors or funds, per 40 C.F.R. § 13.17.
- d. Refer this matter to the United States Department of Justice for litigation and collection, per 40 C.F.R. § 13.33.
- 30. <u>Allocation of Payments</u>. Pursuant to 31 C.F.R. § 901.9(f) and 40 C.F.R. § 13.11(d), a partial payment of debt will be applied first to outstanding handling charges, second to late penalty charges, third to accrued interest, and last to the principal that is the outstanding Assessed Penalty amount.
- 31. <u>Tax Treatment of Penalties</u>. Penalties, interest, and other charges paid pursuant to this Agreement shall not be deductible for purposes of federal taxes.

G. CONDITIONS OF SETTLEMENT

- 32. Respondent shall complete the following compliance tasks:
 - a. Implement a Computerized Maintenance Management System (CMMS) that centralizes compliance tasks and deadlines at all RMP-covered AmeriGas facilities in the nation. The CMMS should forecast upcoming compliance responsibilities and assign project ownership to a responsible person;
 - b. Submit a report to EPA detailing the completion of CMMS implementation by July 31, 2025.

H. ADMISSIONS AND WAIVERS OF RIGHTS

33. In accordance with 40 CFR § 22.18(b), for the purpose of this proceeding, Respondent: (a) admits the jurisdictional allegations of this CA/FO; (b) neither admits nor denies specific factual allegations contained in this CA/FO; (c) consents to the assessment of the civil penalty Set forth in Section F above and to any conditions specified in this CA/FO; and (d) waives any right to contest the allegations and its right to appeal the final order accompanying this consent agreement. By signing this Consent Agreement, Respondent waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the final order accompanying the consent agreement.

H. DELAY IN PERFORMANCE/STIPULATED PENALTIES

- 34. In the event Respondent fails to meet any requirement set forth in this CA/FO, Respondent shall pay stipulated penalties as follows: FIVE HUNDRED DOLLARS (\$500) per day for the first to fifteenth day of delay, ONE THOUSAND DOLLARS (\$1,000) per day for the sixteenth to thirtieth day of delay, and FIVE THOUSAND DOLLARS (\$5,000) per day for each day of delay thereafter. For the purposes of this Section, Respondent's obligation to meet any and all requirements set for this in this CA/FO shall include completion of any and all activities required under this CA/FO in a manner acceptable to EPA and within the specified time schedules in and approved under this CA/FO.
- 34 Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations.
- 35. Stipulated penalties shall begin to accrue on the day after performance is due and shall continue to accrue through the final day until performance is complete. All stipulated penalties owed to EPA shall be due within thirty (30) days of receipt by Respondent of a notification of noncompliance. Such notification shall describe the noncompliance and shall indicate the amount of penalties due.
- 36. In addition to any stipulated penalties assessed, interest and penalties shall accrue in accordance with 40 C.F.R. § 13.11.
- 37. Payment of stipulated penalties shall be made in accordance with the procedure set forth for payment of penalties in Section E of this CA/FO.
- 38. The payment of stipulated penalties specified in this Section shall not be deducted by Respondent or any other person or entity for federal taxation purposes.
- 39. Notwithstanding any other provision of this Section, EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued pursuant to this CA/FO.

I. RESERVATION OF RIGHTS

- 40. In accordance with 40 C.F.R. § 22.18(c), full compliance with this CA/FO shall only resolve Respondent's liability for federal civil penalties for the violations specifically alleged herein and does not in any case affect the right of the EPA to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law.
- 41. This CA/FO is not a permit or modification of any existing permit issued pursuant to any federal, state, or local laws or regulations. This CA/FO shall in no way relieve or affect Respondent's obligations under any applicable federal, state or local laws, regulations, or permits.

J. OTHER CLAIMS

42. Nothing in this CA/FO shall constitute or be construed as a release from any other claim, cause of action or demand in law or equity by or against any person, firm, partnership, entity or corporation for any liability it may have arising out of or relating in any way to the generation, storage, treatment, handling, transportation, release, or disposal of any hazardous constituents, hazardous substances, hazardous wastes, pollutants, or contaminants found at, taken to, or taken from the Facility.

K. MISCELLANEOUS

- 43. This CA/FO can be signed in counterparts.
- 44. The headings in this CA/FO are for convenience of reference only and shall not affect interpretation of this CA/FO.
- 45. Each party to this action shall bear its own costs and attorneys' fees.
- 46. EPA and Respondent consent to entry of this CA/FO without further notice.
- 47. By signing this CAFO, Respondent acknowledges that this CAFO will be available to the public and agrees that this CAFO does not contain any confidential business information or personally identifiable information.
- 48. Pursuant to 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1, EPA is required to send to the Internal Revenue Service ("IRS") annually, a completed IRS Form 1098-F ("Fines, Penalties, and Other Amounts") with respect to any court order or settlement agreement (including administrative settlements), that require a payor to pay an aggregate amount that EPA reasonably believes will be equal to, or in excess of, \$50,000 for the payor's violation of any law or the investigation or inquiry into the payor's potential violation of any law, including amounts paid for "restitution or remediation of property" or to come "into compliance with a law." EPA is further required to furnish a written statement, which provides the same information provided to the IRS, to each payor (i.e., a copy of IRS Form 1098-F). Failure to comply with providing IRS Form W-9 or Tax Identification Number ("TIN"), as described below, may subject Respondent to a penalty, per 26 U.S.C. § 6723, 26 U.S.C. § 6724(d)(3), and 26 C.F.R. § 301.6723-1. To provide EPA with sufficient information to enable it to fulfill these obligations, Respondent shall complete the following actions as applicable:
 - a. Respondent shall complete an IRS Form W-9 ("Request for Taxpayer Identification Number and Certification"), which is available at https://www.irs.gov/pub/irs-pdf/fw9.pdf;
 - Respondent shall therein certify that its completed IRS Form W-9 includes Respondent's correct TIN or that Respondent has applied and is waiting for issuance of a TIN;

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- c. Respondent shall email its completed Form W-9 to Jessica Chalifoux in EPA's Cincinnati Finance Department at chalifoux.jessica@epa.gov, on or before the date the Respondent's penalty payment is due, pursuant to Paragraph 25, or within 7 days should the order become effective between December 15 and December 31 of the calendar year. EPA recommends encrypting IRS Form W-9 email correspondence; and
- d. In the event that Respondent has certified in its completed IRS Form W-9 that it does not yet have a TIN but has applied for a TIN, Respondent shall provide EPA's Cincinnati Finance Division with Respondent's TIN, via email, within five (5) days of Respondent's receipt of a TIN issued by the IRS.

L. EFFECTIVE DATE

49. In accordance with 40 C.F.R. §§ 22.18(b)(3) and 22.31(b), the effective date of this CA/FO (Effective Date) shall be the date that the Final Order contained in this CA/FO, having been approved and issued by the Regional Judicial Officer, is filed with the Regional Hearing Clerk.

In the Matter of AmeriGas Propane, L.P. Consent Agreement and Final Order

IT IS SO AGREED.

FOR RESPONDENT AMERIGAS PROPANE, L.P.:

Date

Steven Franks

Director – Terminals

FOR COMPLAINANT, U.S. ENVIRONMENTAL PROTECTION AGENCY, REGION IX:

AMY MILLER-Digitally signed by AMY MILLER-BOWEN

Date: 2025.06.13
15:02:17 -07'00'

Amy C. Miller-Bowen, Director Enforcement and Compliance Assurance Division U.S. Environmental Protection Agency, Region IX

FINAL ORDER

IT IS HEREBY ORDERED that this Consent Agreement and Final Order pursuant to 40 C.F.R. Sections 22.13 and 22.18 (U.S. EPA Docket No. CAA § 112(r)-09-2025-0015) be entered and that Respondent pay a civil penalty of TWENTY-SEVEN THOUSAND FIVE HUNDRED THIRTY-THREE DOLLARS (\$27,533), due within thirty (30) days from the Effective Date of this Consent Agreement and Final Order, in accordance with all terms and conditions of this Consent Agreement and Final Order.

This Final Order shall be effective upon filing by the Regional Hearing Clerk.

STEVEN JAWGIEL Digitally signed by STEVEN JAWGIEL Date: 2025.07.01 15:40:33 -07'00'

Steven Jawgiel Regional Judicial Officer United States Environmental Protection Agency, Region IX

CERTIFICATE OF SERVICE

I certify that the original of the fully executed Consent Agreement and Final Order in the matter of AmeriGas, L.P. (Docket No. CAA § 112(r)-09-2025-0015) was filed with Regional Hearing Clerk, U.S. EPA, Region IX, 75 Hawthorne Street, San Francisco, CA 94105, and that a true and correct copy of the same was served on the parties, via electronic mail, as indicated below:

RESPONDENT: Joseph McElwee

Counsel AmeriGas, L.P.

Mcelweej@ugicorp.com

COMPLAINANT:

Matthew Trawick

Assistant Regional Counsel

U.S. EPA - Region IX

Hazardous Waste Section I (ORC-3-1)

75 Hawthorne Street San Francisco, CA 94105 Trawick.Matthew@epa.gov

Tu, Ponly Digitally signed by Tu, Ponly Date: 2025.07.01 16:40:51

Ponly Tu Regional Hearing Clerk U.S. EPA – Region IX