# UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 8

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In the Matter of:	)	480 0 E G 1124
Kinder Morgan, Inc.	)	ADMINISTRATIVE ORDER
370 Van Gordon Street	)	A CONTRACTOR OF THE CONTRACTOR
Lakewood, CO 80228	. )	
Respondent	)	Docket No. CAA-08-2011-0031
	AUTHOR	RITY

This Administrative Order ("Order") is issued by the United States Environmental Protection Agency, Region 8 ("EPA") to Kinder Morgan, Inc. ("Kinder Morgan") pursuant to § 113(a)(3)(B) of the Clean Air Act ("CAA"), 42 U.S.C. § 7413(a)(3)(B), for violations of § 111 of the CAA, 42 U.S.C. § 7411.

The authority to issue this Order has been properly delegated to the Assistant Regional Administrator, Office of Enforcement, Compliance, and Environmental Justice, EPA Region 8.

# STATUTORY AND REGULATORY BACKGROUND

- Congress has enacted CAA § 111 to require the EPA to regulate sources of criteria pollutants and to establish New Source Performance Standards (NSPS). 42 U.S.C. § 7411.
- The EPA has designated Equipment Leaks for Onshore Natural Gas Processing Plants as a category subject to the requirements of CAA § 111.
- CAA§ 111(f), 42 U.S.C. § 7411(f), requires the EPA to establish NSPS for each category or subcategory for sources of Criteria Pollutants.
- On June 24, 1985, the EPA promulgated 40 C.F.R. Part 60, Subpart KKK, "Standards of Performance of Equipment Leaks for Onshore Natural Gas Processing Plants." 50 Fed. Reg. 26124.
- 40 C.F.R. Part 60 Subpart KKK applies to owners and/or operators of onshore natural gas processing plants. 40 C.F.R. § 60.630(a).

- 40 C.F.R. § 60.631 of Subpart KKK defines an "onshore natural gas processing plant" as "any processing site engaged in the extraction of natural gas liquids from field gas, fractionation of mixed natural gas liquids to gas products, or both." 40 C.F.R. § 60.631.
- 40 C.F.R. § 60.632(d) of Subpart KKK provides that "each owner or operator subject to the provisions of this subpart shall comply with the provisions of §§ 60.485."
- 40 C.F.R. §§ 60.485(b)(1) provides that to be in compliance, "Method 21 shall be used to determine the presence of leaking sources."
- 10. 40 C.F.R. Part 60 Appendix A Method 21 § 8.3.1, provides that "If an increased meter reading is observed, slowly sample the interface where leakage is indicated until the maximum meter reading is obtained."

## RESPONDENT

- 11. Respondent is a Delaware corporation.
- Respondent owns and operates the Casper Gas Plant.
- Respondent is a "person" as defined in CAA § 302(3) 42 U.S.C. § 7602(e), and the federal and state regulations promulgated pursuant to the CAA.
- 14. Natural gas processing by the Respondent results in emissions of criteria pollutants to the outside air. Some of these emissions are from equipment leaks.
- 15. The Casper Gas Plant, located near Casper, Wyoming, is a "Natural Gas Processing Plant" subject to the requirements of the NSPS for Standards of Performance of Equipment Leaks for Onshore Natural Gas Processing Plants found at 40 C.F.R. Part 60, Subpart KKK.

#### FINDINGS

- On August 23, 2011, the EPA staff inspected the Casper Gas Plant. The EPA has also reviewed records received.
- 17. During the inspection, the EPA staff monitored components subject to 40 C.F.R. Part 60, Subpart KKK using Toxic Vapor Analyzers and documented leaking components. The EPA staff found 3.27% of the components monitored to be leaking.
- 18. Records show that historic monitoring events at the Casper Gas Plant found less than 0.3% of the components leaking; often, no components were found to be leaking.
- 19. Leaks from the Casper Gas Plant are not being detected in accordance with Method 21. Because these leaks are not being detected, components are not being repaired in accordance with NSPS KKK resulting in excess emissions of Volatile Organic Compounds into the air.

## ADMINISTRATIVE ORDER

- Pursuant to section 113(a)(3)(B) of the CAA, 42 U.S.C. § 7413(a)(3)(B), EPA hereby issues the following order:
  - a. Effective immediately, whenever Method 21 is used to monitor for leaks at the Casper Gas Plant, Kinder Morgan shall comply with the Leak Detection and Repair requirements of 40 C.F.R. Part 60, specifically the requirements found in 40 C.F.R. Part 60 Appendix A Method 21 § 8.3.1 and find the maximum leaking rates of components.

#### **ENFORCEMENT**

- 21. Issuance of this Order does not preclude any other action by EPA to redress past or future violations of the CAA, including either of the following:
  - a. an administrative penalty complaint pursuant to section 113(d) of the CAA, 42 U.S.C. §7413(d), for penalties of not more than \$37,500 per day for each violation during the period the facility is not in compliance; or

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Date: Sept. 29, 2011

Andrew M. Gaydosh

Assistant Regional Administrator

Office of Enforcement, Compliance and

Environmental Justice

In the Matter of: Kinder Morgan, Inc. Casper Gas Plant

# CERTIFICATE OF SERVICE

The undersigned hereby certifies that the original and one copy of the ADMINISTRATIVE ORDER were hand-carried to the Regional Hearing Clerk, EPA Region 8, 1595 Wynkoop Street; Denver, Colorado 80202-1129, and that a true copy of the same was sent via Certified Mail, Postage Pre-Paid, to

Kinder Morgan, Inc. 370 Van Gordon Street Lakewood, CO 80228

on the 29Th day of September 2011.

udith McTernan, Secretary