



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 7
901 NORTH 5TH STREET
KANSAS CITY, KANSAS 66101

10 MAY -3 AM 9:03

ENVIRONMENTAL PROTECTION
AGENCY-REGION VII
REGIONAL HEARING CLERK

EXPEDITED SETTLEMENT AGREEMENT (ESA)

DOCKET NO.: CAA-07-2010-0012

This ESA is issued to: Frontier Equity Exchange

At: 5475 RD 14, Goodland, Kansas 67735

for violating Section 112(r)(7) of the Clean Air Act.

The United States Environmental Protection Agency, Region 7 (EPA) and Frontier Equity Exchange, 5475 RD 14, Goodland, Kansas 67735 (Respondent), have agreed to a settlement of this action before filing of a complaint, and thus this action is simultaneously commenced and concluded pursuant to Rules 22.13(b) and 22.18(B)(2) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits (Consolidated Rules), 40 C.F.R. §§ 22.13(b), 22.18(b)(2).

The Complainant, by delegation of the Administrator of EPA, is the Director of the Air, and Waste Management Division. The Respondent is Frontier Equity Exchange, 5475 RD 14, Goodland, Kansas 67735.

This is an administrative action for the assessment of civil penalties instituted pursuant to Section 113(d) of the Clean Air Act. Pursuant to Section 113(d) of the Clean Air Act, 42 U.S.C. § 7413(d), the Administrator and the Department of Justice jointly determined that in cases where the first alleged date of violation occurred more than one year before initiation of an administrative action and which meets the criteria set forth in EPA's policy entitled "Use of Expedited Settlements in Addressing Violations of the Clean Air Act Chemical Accident Prevention Provision, 40 C.F.R. Part 68," dated January 5, 2004, are appropriate for administrative penalty action.

ALLEGED VIOLATIONS

Facilities that produce, handle, process, distribute, or store certain chemicals are required to develop a Risk Management Program, prepare a Risk Management Plan (RMP), and submit the RMP to EPA in accordance with 40 C.F.R. Part 68. Facilities must fully update and resubmit the RMP, at a minimum, every five years or deregister the RMP facility within 6 months that it is no longer covered by the regulation. The EPA Risk Management Database, RMPInfo, indicates that your facility has failed to resubmit or update the facility's Risk Management Plan by June 22, 2009. Frontier Equity Exchange's failure to update and resubmit the facility's RMP is a violation of 40 C.F.R. 68.190.

SETTLEMENT

In consideration of Respondent's size of business, its full compliance history, its good faith effort to comply, and other factors as justice may require, and upon consideration of the entire record, the parties enter into the ESA in order to settle the violations, described in the enclosed RMP Findings, for the total penalty amount of **\$600.00**.

This settlement is subject to the following terms and conditions:

The Respondent by signing below waives any objections that it may have regarding jurisdiction, neither admits nor denies the specific factual allegations contained herein and in the RMP Findings, and consents to the assessment of the penalty as stated above. Respondent waives its rights to a hearing afforded by Section 113(d)(2)(A) of the Clean Air Act, 42 U.S.C. § 7413(d)(2)(A), and to appeal this ESA. Each party to this action shall bear its own costs and fees, if any. Respondent also certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the Respondent has corrected the violations listed in the enclosed RMP Findings and has sent a cashier's check or certified check (payable to the "United States Treasury") in the amount of **\$600.00** in payment of the full penalty amount to the following address:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, Missouri 63197-9000

The Docket Number of this ESA is CAA-07-2010-0012, and must be included on the check.

This original ESA, a copy of the completed RMP Findings, and a copy of the check must be sent by certified mail to:

Deanna Smith
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 7
901 North 5th Street
Kansas City, Kansas 66101.

A copy of the check must also be sent to:

Kathy M. Robinson
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 7
901 North 5th Street
Kansas City, Kansas 66101.

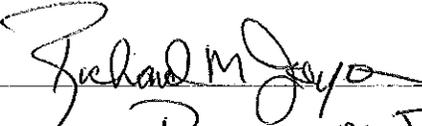
Upon Respondent's submission of the signed original ESA, EPA will take no further civil action against Respondent for the alleged violations of the Clean Air Act referenced in the RMP Findings. The EPA does not waive any other enforcement action for any other violations of the Clean Air Act or any other statute.

If the signed original ESA with an attached copy of the check is not returned to the EPA Region 7 office at the above address in correct form by the Respondent within 45 days of the date of Respondent's receipt of it (90 days if an extension is granted), the proposed ESA is withdrawn, without prejudice to EPA's ability to file an enforcement action for the violations identified herein and in the RMP Findings.

This ESA is binding on the parties signing below.

This ESA is effective upon filing with the Regional Hearing Clerk.

FOR RESPONDENT:



Name (print): RICHARD M. JOYCE
Title (print): Safety & Compliance
Frontier Equity Exchange

Date: 4/21/2010

FOR COMPLAINANT:



Date: 4/27/10

br
Becky Weber
Director
Air and Waste Management Division
EPA Region 7



Date: 4/27/10

Kristen Nazar
Assistant Regional Counsel
Office of Regional Counsel
EPA Region 7

I hereby ratify the ESA and incorporate it herein by reference. It is so ORDERED.

Karina Borromeo
Karina Borromeo
Regional Judicial Officer

Date: April 29, 2010

Risk Management Program Inspection Findings
CAA § 112(r) Violations

Frontier Equity Exchange
5475 RD 14
Goodland, Kansas 67735
Docket No. CAA-07-2010-0012

COMPLETE THIS FORM AND RETURN IT WITH THE ESA.

VIOLATIONS

PENALTY AMOUNT

Risk Management Plan \$2,000.00
Required Corrections [§ 68.190]
The owner or operator failed to revise and update the RMP at least once every 5 years of its most recent submittal or deregistered within 6 months indicating the facility is no longer covered by the RMP regulations as required at § 68.190.

Please attach confirmation that the RMP resubmission/update has been received.

Total Unadjusted Penalty \$2,000.00

Calculation of Adjusted Penalty

- 1st Reference the multipliers for calculating proposed penalties for violations found during RMP inspection matrix. Finding the row for number of employees 1-5 and column for >10 times the threshold quantity of 10,000 pounds of anhydrous ammonia as listed in 40 C.F.R. Part 68.130 for the amount in a process gives a multiplier factor of 0.3. Therefore, the multiplier for Frontier Equity Exchange = 0.3
- 2nd Adjusted Penalty = \$2,000.00 (Unadjusted Penalty) X 0.3 (Size-Threshold Multiplier)
Adjusted Penalty = \$600.00
- 3rd An Adjusted Penalty of \$600.00 would be assessed to Frontier Equity Exchange for the violations found during the RMP submittal data review. This amount will be found in the Expedited Settlement Agreement (ESA).

Total Adjusted Penalty \$600

The approximate cost to correct the above items: \$ 600⁰⁰

Compliance staff name: Richard M Joyce

Signed: Richard M Joyce Date: 4/21/2010

***** Risk Management Plan *****

***** Section 1. Registration Information *****

* Source Identification

Facility Name: Frontier Ag, Inc -Townsend Plant
Parent Company #1 Name:
Parent Company #2 Name:

* Submission and Acceptance

Submission Type: Re-submission
Subsequent RMP
Submission Reason: Voluntary update (not described by any of the
above reasons)
Description: Townsend NH3 1000 0020-4281
Receipt Date: 15-DEC-2008
Postmark Date: 11-DEC-2008
Next Due Date: 11-DEC-2013
Completeness Check Date: 15-DEC-2008
Complete RMP: YES
De-Registration/Closed
Reason:
De-Registration/Closed
Reason Other Text:
De-Registered/Closed
Date:
De-Registered/Closed
Effective Date:
Certification Received: YES

* Facility Identification

EPA Facility Identifier: 1000 0002 4029
Other EPA Systems
Facility ID:

* Dun and Bradstreet Numbers (DUNS)

Facility DUNS:
Parent Company #1 DUNS:
Parent Company #2 DUNS:

* Facility Location Address

Street 1: 5450 County Rd 14
Street 2:
City: Goodland
State: KANSAS
ZIP: 67743
ZIP4:
County: SHERMAN

* Facility Latitude and Longitude

Latitude (decimal): 39.200330
Longitude (decimal): -101.819750
Lat/Long Method: Interpolation - Satellite
Lat/Long Description: Plant Entrance (General)
Horizontal Accuracy
Measure: 33
Horizontal Reference
Datum Name: North American Datum of 1983
Source Map Scale Number:

* Owner or Operator

Operator Name: Frontier Ag, Inc
Operator Phone: (785) 672-3300

* Mailing Address

Operator Street 1: 415 W 2nd
Operator Street 2:
Operator City: Oakley
Operator State: KANSAS
Operator ZIP: 67748
Operator ZIP4:
Operator Foreign State

or Province:
Operator Foreign ZIP:
Operator Foreign Country:

* Name, Title and E-mail Address of Person or Position Responsible for Part 68 (RMP) Implementation

RMP Name of Person: Frontier Ag, Inc
RMP Title of Person or
Position: Owner
RMP E-mail Address:

* Emergency Contact

Emergency Contact Name: Roger Ritter
Emergency Contact Title: Location Manager
Emergency Contact Phone: (785) 899-7497
Emergency Contact
24-Hour Phone: (785) 821-1114
Emergency Contact Ext.
or PIN:
Emergency Contact E-mail
Address: rridder@frontieraginc.com

* Other Points of Contact

Facility or Parent
Company E-mail Address:
Facility Public Contact
Phone: none
Facility or Parent
Company WWW Homepage
Address:

* Local Emergency Planning Committee

LEPC: Sherman County LEPC

* Full Time Equivalent Employees

Number of Full Time
Employees (FTE) on Site: 1
FTE Claimed as CBI:

* Covered By

OSHA PSM :
EPCRA 302 : YES
CAA Title V:
Air Operating Permit ID:

* OSHA Ranking

OSHA Star or Merit
Ranking:

* Last Safety Inspection

Last Safety Inspection
(By an External Agency)
Date: 01-OCT-2008
Last Safety Inspection
Performed By an External
Agency: KS department of Ag

* Predictive Filing

Did this RMP involve
predictive filing?:

* Preparer Information

Preparer Name:
Preparer Phone: none
Preparer Street 1:
Preparer Street 2:
Preparer City:
Preparer State:
Preparer ZIP:
Preparer ZIP4:
Preparer Foreign State:
Preparer Foreign Country:

Preparer Foreign ZIP:

* Confidential Business Information (CBI)

CBI Claimed:
Substantiation Provided:
Unsanitized RMP Provided:

* Reportable Accidents

Reportable Accidents: No accidents meeting RMP reporting requirements were claimed.

***** Executive Summary *****

Frontier Ag, Inc is an agricultural retail business which specializes in grain storage and the sale of agricultural inputs to area producers. This company strives to maintain a safe and healthy work place. Our owners, managers and employees have made every effort to plan the prevention of any accidental release of anhydrous ammonia.

The worst case and the alternate release scenarios have been evaluated and shared with our Local First Responders as an on-going training program. More importantly, our employees have been trained in their respective emergency action plans, including the emergency meeting place and each of their individual responsibilities regarding an accidental release of anhydrous ammonia.

Frontier Ag maintains and operates our NH3 plant in strict accordance with all State and Local regulations. The Kansas Department of Agriculture inspects our plant on a regular basis and we comply promptly with their requests for improvement.

Our employees are trained in safety procedures, site specific operating procedures, plant maintenance and are competency tested over the training material. Each employee uses goggles and gloves as well as having adequate safety water during all operational procedures. With this in mind it makes it easy to report that there have been absolutely no injury accidents or property damage for the past five years.

Our Emergency Action Plan is designed to minimize the risks to employees, the surrounding public and the area First Responders. Frontier Ag provides plant tours for our local fire department and our emergency action plan has been shared with the county Local Emergency Planning Commission(LEPC). Each of our responding agencies are aware of the dangerous nature of anhydrous ammonia and they have agreed to assist us in the event of an emergency or accidental release.

The worst case and the alternate release scenarios have been evaluated and shared with our Local First Responders as an on-going training program. More importantly, our employees have been trained in their respective emergency action plans, including the emergency meeting place and each of their individual responsibilities regarding an accidental release of anhydrous ammonia.

* Process Chemicals

Process ID: 77503
Description: Anhydrous Ammonia
Process Chemical ID: 102986
Program Level: Program Level 2 process
Chemical Name: Ammonia (anhydrous)
CAS Number: 7664-41-7
Quantity (lbs): 167897
CBI Claimed:
Flammable/Toxic: TOXIC

* Process NAICS

Process ID: 77503
Process NAICS ID: 79370
Program Level: Program Level 2 process
NAICS Code: 42491
NAICS Description: Farm Supplies Merchant Wholesalers

***** Section 2. Toxics: Worst Case *****

Toxic Worst ID: 50518
Percent Weight: 100
Physical State: Gas liquified by pressure
Model Used: DEGADIS
Release Duration (mins): 10
Wind Speed (m/sec): 1.5
Atmosphere Stability
Class: F
Topography: Rural

Passive Mitigation Considered

Dike:
Enclosures:
Berms:
Drains:

Sumps:
Other Type:

***** Section 3. Toxics: Alternative Release *****
 Toxic Alter ID: 59647
 Percent Weight: 100
 Physical State: Gas liquified by pressure
 Model Used: DEGADIS
 Wind Speed (m/sec): 3
 Atmosphere Stability
 Class: D
 Topography: Rural

Passive Mitigation Considered

Dike:
 Enclosures:
 Berms:
 Drains:
 Sumps:
 Other Type:

Active Mitigation Considered

Sprinkler System:
 Deluge System:
 Water Curtain:
 Neutralization:
 Excess Flow Valve: YES
 Flares:
 Scrubbers:
 Emergency Shutdown:
 Other Type:

***** Section 4. Flammables: Worst Case *****
 ***** Section 5. Flammables: Alternative Release *****
 ***** Section 6. Accident History *****

***** Section 7. Program Level 3 *****

***** Section 8. Program Level 2 *****

** Description:

Safety information is specific to the process. Hazard reviews are location and process specific. Correct operating procedures are in place. Maintenance procedures are in place and conducted by well trained employees. Internal compliance audits are conducted annually. Safety trainings conducted annually and whenever the process changes. An Incident Investigation Process is in place. The company employs a Safety Director that monitors the regulations, processes, training and incidents. Max cap figured on 2-12, 10 NTS

* Program Level 2 Prevention Program Chemicals

Prevention Program
 Chemical ID: 29393
 Chemical Name: Ammonia (anhydrous)
 Flammable/Toxic: TOXIC
 CAS Number: 7664-41-7

Prevention Program Level

2 ID: 28148
 NAICS Code: 42491

* Safety Information

Safety Review Date (The date of the most recent review or revision of the safety information): 24-SEP-2008

Safety Compliance Regulations or Design Codes/Standards

NFPA 58 (or state law based on NFPA 58):
 OSHA (29 CFR 1910.111): YES
 ASTM Standards:

ANSI Standards:
 ASME Standards: YES
 None:
 Other Regulation, Design
 Code, or Standard: Kansas Dept. of Ag
 Comments:

* Hazard Review
 Hazard Review Date (The
 date of completion of
 most recent review or
 update): 24-SEP-2008
 Change Completion Date
 (The expected or actual
 date of completion of
 all changes resulting
 from the hazard review): 25-SEP-2009

Major Hazards Identified
 Toxic Release: YES
 Fire:
 Explosion:
 Runaway Reaction:
 Polymerization:
 Overpressurization: YES
 Corrosion: YES
 Overfilling: YES
 Contamination:
 Equipment Failure: YES
 Loss of Cooling,
 Heating, Electricity,
 Instrument Air:
 Earthquake:
 Flood (Flood Plain):
 Tornado: YES
 Hurricanes:
 Other Major Hazard
 Identified:

Process Controls In Use
 Vents:
 Relief Valves: YES
 Check Valves:
 Scrubbers:
 Flares:
 Manual Shutoffs: YES
 Automatic Shutoffs:
 Interlocks:
 Alarms and Procedures:
 Keyed Bypass:
 Emergency Air Supply:
 Emergency Power:
 Backup Pump:
 Grounding Equipment: YES
 Inhibitor Addition:
 Rupture Disks:
 Excess Flow Device: YES
 Quench System:
 Purge System:
 None:
 Other Process Control in
 Use:

Mitigation Systems In Use
 Sprinkler System:
 Dikes:
 Fire Walls:
 Blast Walls:
 Deluge System:
 Water Curtain:
 Enclosure:

Neutralization:
 None: YES
 Other Mitigation System
 in Use:

Monitoring/Detection Systems In Use
 Process Area Detectors:
 Perimeter Monitors:
 None: YES
 Other
 Monitoring/Detection
 System in Use:

Changes Since Last PHA or PHA Update
 Reduction in Chemical
 Inventory:
 Increase in Chemical
 Inventory:
 Change Process
 Parameters:
 Installation of Process
 Controls:
 Installation of Process
 Detection Systems:
 Installation of
 Perimeter Monitoring
 Systems:
 Installation of
 Mitigation Systems:
 None Recommended:
 None: YES
 Other Changes Since Last
 PHA or PHA Update:

* Review of Operating Procedures
 Operating Procedures
 Revision Date (The date
 of the most recent
 review or revision of
 operating procedures): 24-SEP-2008

* Training
 Training Review Date
 (The date of the most
 recent review or
 revision of training
 programs): 13-FEB-2008

The Type of Training Provided
 Classroom: YES
 On the Job: YES
 Other Training:

The Type of Competency Testing Used
 Written Tests: YES
 Oral Tests: YES
 Demonstration: YES
 Observation: YES
 Other Type of Competency
 Testing Used:

* Maintenance
 Maintenance Review Date
 (The date of the most
 recent review or
 revision of maintenance
 procedures): 24-SEP-2008
 Equipment Inspection
 Date (The date of the
 most recent equipment
 inspection or test): 01-OCT-2008

Equipment Most Recently
Inspected or Tested: tanks, pumps, piping, pressure relief, hoses

* Compliance Audits
Compliance Audit Date
(The date of the most
recent compliance audit): 24-SEP-2008
Audit Completion Date
(The expected or actual
date of completion of
all changes resulting
from the compliance
audit): 24-SEP-2009

* Incident Investigation
Incident Investigation
Date (The date of the
most recent incident
investigation (if any)):
Incident Investigation
Changes Date (Expected
or actual date of
completion of all
changes resulting from
the investigation):
Most Recent Change Date:
(The date of the most
recent change that
triggered a review or
revision of safety
information):

* Confidential Business Information
CBI Claimed:

***** Section 9. Emergency Response *****

* Written Emergency Response (ER) Plan
Community Plan (Is facility included in
written community emergency response plan?): YES
Facility Plan (Does facility have its own
written emergency response plan?):
Response Actions (Does ER plan include
specific actions to be taken in response to
accidental releases of regulated
substance(s)?):
Public Information (Does ER plan include
procedures for informing the public and
local agencies responding to accidental
release?):
Healthcare (Does facility's ER plan include
information on emergency health care?):

* Emergency Response Review
Review Date (Date of most recent review or
update of facility's ER plan):

* Emergency Response Training
Training Date (Date of most recent review or
update of facility's employees):

* Local Agency
Agency Name (Name of local agency with which
the facility ER plan or response activities
are coordinated): Goodland Rural Fire Department
Agency Phone Number (Phone number of local
agency with which the facility ER plan or
response activities are coordinated): (000) 000-0911

* Subject to:
OSHA Regulations at 29 CFR 1910.38: YES

OSHA Regulations at 29 CFR 1910.120:	YES
Clean Water Regulations at 40 CFR 112:	
RCRA Regulations at CFR 264, 265, and 279.52:	
OPA 90 Regulations at 40 CFR 112, 33 CFR 154, 49 CFR 194, or 30 CFR 254:	
State EPCRA Rules or Laws:	YES
Other (Specify):	Kansas Dept. of Ag

IN THE MATTER OF Frontier Equity Exchange, Respondent
Docket No. CAA-07-2010-0012

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Expedited Settlement Agreement (ESA) was sent this day in the following manner to the addressees:

Copy hand delivered to
Attorney for Complainant:

Kristen Nazar
Assistant Regional Counsel
Region 7
United States Environmental Protection Agency
901 N. 5th Street
Kansas City, Kansas 66101

Copy by Certified Mail Return Receipt to:

Richard M. Joyce, Safety & Compliance
Frontier Equity Exchange
5475 RD 14
Goodland, Kansas 67735

Dated: 5/3/10


Kathy Robinson
Hearing Clerk, Region 7