



**NAVAJO NATION ENVIRONMENTAL PROTECTION AGENCY**  
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**Detailed Information**

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**Permitting Authority: NNEPA**

**County:** Apache                      **State:** Arizona                      **AFS Plant ID:** 04-001-N0106

**Facility:** Transwestern Pipeline Company - Klagetoh Compressor Station Number 4

**Document Type:** DRAFT STATEMENT OF BASIS

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**PART 71 FEDERAL OPERATING PERMIT**  
**DRAFT STATEMENT OF BASIS**

**Transwestern Pipeline Company**  
**Klagetoh Compressor Station Number 4**

Permit No. NN OP 09-002

**1. Facility Information**

**a. Permittee**

**Plant Name:**

Transwestern Pipeline Company - Klagetoh Compressor Station Number 4  
Section 18, Township 25-N, Range 28-E  
10 miles northeast of Klagetoh, Arizona

**Mailing Address:**

4001 Indian School Road, Suite 250  
Albuquerque, New Mexico 87110

**Owner:**

Energy Transfer Partners  
711 Louisiana Avenue, Suite 900  
Houston, Texas 77002

**b. Contact Information**

**Facility Contact:**                      Larry Campbell, Environmental Representative  
Phone: (575) 625-8022

**Responsible Official:**                      Jeff Whippo, Director of Operations  
Phone: (505) 260-4006

**c. Description of Operations, Products**

The facility is a natural gas compressor station which performs gas inlet separation and natural gas compression.

**d. History**

This source is an existing natural gas compressor station consisting of inlet separation and natural gas compression. This plant was initially constructed in 1967 to provide gas compression for a natural gas pipeline. The facility has three reciprocating engine-driven natural gas-fired compressors (Clark TVC-12, units 401, 402, and 403) and two reciprocating engines (Waukesha F3520GU, units 421 and 422) for power generation. Since the equipment pre-dated U.S. EPA's New Source Review construction permit rules, equipment was grandfathered from pre-construction permitting requirements. In 2001, Transwestern Pipeline Company applied for a proposed significant modification to replace the three existing Clark reciprocating engines with a single natural gas-fired GE LM 2500 turbine, and replace the two existing Waukesha generator engines with two caterpillar G3508 generator engines. U.S.EPA issued a significant modification to install the new turbine and the power generators on November 11, 2001. Transwestern Pipeline Company did not implement the proposed modification project. The facility also has three 5,000 hp electric motor driven compressors which are not emission units.

The source has been operating under Part 71 Operating Permit NN-OP 99-01, issued on April 25, 2000, and the following approvals:

- (i) First Administrative Amendment, issued by NNEPA on January 14, 2005.
- (ii) First Renewed Title V permit, issued by NNEPA on September 22, 2005.
- (iii) Second Administrative Amendment, issued by NNEPA on March 17, 2010.

This Title V renewal permit application was submitted on November 11, 2009.

**e. Existing Approvals**

This Part 71 permit renewal incorporates all conditions from previous approvals.

**f. Permitted Emission Units and Control Equipment**

<b>Unit ID/ Stack ID</b>	<b>Unit Description</b>	<b>Maximum Capacity</b>	<b>Commenced Construction Date</b>	<b>Control Device</b>
401	Clark TVC-12 Reciprocating Compressor Engine	34.65 MMBtu/hr 4,500 hp	1967	N/A
402	Clark TVC-12 Reciprocating Compressor Engine	34.65 MMBtu/hr 4,500 hp	1967	N/A
403	Clark TVC-12 Reciprocating Compressor Engine	34.65 MMBtu/hr 4,500 hp	1967	N/A
421	Waukesha F3520GU Reciprocating Engine	3.38 MMBtu/hr 450 hp	1967	N/A
422	Waukesha F3520GU Reciprocating Engine	3.38 MMBtu/hr 450 hp	1967	N/A

**g. Unpermitted Emission Units and Control Equipment**

No unpermitted emission units were found to be operating at this source during this review process.

**h. New Emission Units and Control Equipment**

This Part 71 operating permit renewal includes no new emission units or pollution control equipment.

**i. Insignificant Activities**

This stationary source also includes the following insignificant activities as defined in 40 CFR § 71.5(c)(11)(ii), which is defined as emission units with potential to emit of each criteria pollutant less than 2 TPY and potential to emit a single HAP less than 0.5 TPY or the de minimis level established under CAA § 112(g), whichever is less:

- (i) Fugitive VOC emissions from connections, flanges, open-ended lines, valves, and other components.
- (ii) Emergency shutdown system and pressure relief valves.
- (iii) Blowdown activities (during startup and shutdown).
- (iv) Fire Pump and Air Compressor engine emissions.
- (v) Any emissions unit, operation, or activity that handles or stores a VOC or HAP organic liquid with a vapor pressure less than 1.5 psia.

(vi) List of storage tanks present at the source.

<b>Unit ID</b>	<b>Unit Description</b>
T-1	210 barrel vertical fixed roof lube oil storage tank
T-2	210 barrel vertical fixed roof lube oil storage tank
T-3	3,000 gal vertical fixed roof waste lube oil storage tank
T-4	65 barrel vertical fixed roof ethylene glycol storage tank
T-5	65 barrel vertical fixed roof ethylene glycol storage tank
T-6	65 barrel vertical fixed roof ethylene glycol storage tank
T-7	400 barrel vertical fixed roof oily waste water storage tank
T-8	210 barrel vertical fixed roof oily waste water storage tank
T-9	500 barrel vertical fixed roof pipeline liquid storage tank

**j. Enforcement Issues**

There are no known noncompliance issues that must be addressed in this permitting action. Therefore, the renewal may be proposed and issued.

**k. Emission Calculations**

See Appendix A of this document for detailed calculations (pages 1 through 3).

**l. Potential to Emit**

Potential to emit (PTE) means the maximum capacity to emit any air pollutant (CAA criteria pollutants or HAPs) under a facility's physical and operational design. Any physical or operational limitations on the maximum capacity of this plant to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, may be treated as a part of its design if the limitation is enforceable by U.S. EPA. Actual emissions are typically lower than PTE.

Process/Facility	Potential to Emit (tons/year)							
	PM	PM-10	PM-2.5	SO <sub>2</sub>	NO <sub>x</sub>	VOC	CO	HAPs
401	5.99	7.53	7.53	0.09	343.04	14.31	118.51	11.72
402	5.99	7.53	7.53	0.09	343.04	14.31	118.51	11.72
403	5.99	7.53	7.53	0.09	343.04	14.31	118.51	11.72
421	0.15	0.29	0.29	0.01	33.61	0.44	51.96	0.45
422	0.15	0.29	0.29	0.01	33.61	0.44	51.96	0.45
Insignificant Activities*	less than 5.00	less than 5.00	less than 5.00	-	-	less than 5.00	-	negligible
PTE of the Entire Source	23.3	28.2	28.2	0.29	1096	49	459	36
Title V Major Source Thresholds	NA	100	100	100	100	100	100	10 for a single HAP and 25 for total HAPs

Note: (\*) This estimates the PM10/PM2.5 emissions from the blowdown, pressure relief systems, and the fugitive VOC emissions from equipment leaks.

- (i) PTE of NO<sub>x</sub> and CO are equal to or greater than 100 TPY. In addition, the PTE of HAPs from this source is greater than 10 TPY for a single HAP and greater than 25 TPY for total HAPs. Therefore, this source is considered a major source under 40 CFR Part 71 (Federal Operating Permit Program).

### **m. Actual Emissions**

The following table shows the actual emissions from the source. This information reflects the 2008 emission inventory data submitted by the Permittee.

Pollutant	Actual Emissions (tons/year)
PM	Not Reported
PM10	14
SO <sub>2</sub>	0.17
VOC	26.72
NO <sub>x</sub>	646.49
Formaldehyde	15.98
Acrolein	2.25
Acetaldehyde	2.25
Benzene	0.57
Methanol	0.73

Note: From January 2009, the facility has been operating its three 5000 hp electric motor-driven compressors, which are not emission units.

## 2. Navajo Tribal Information

### a. General

The reservation of the Navajo Nation is one of the largest Indian reservations in the country, covering more than 27,000 square miles in three states: Arizona, Utah, and New Mexico. The Navajo Nation currently is home to more than 260,000 people. Industries on the reservation include oil and natural gas production, coal mining, electric generation and distribution, and tourism.

### b. Local Air Quality and Attainment Status

All areas of the Navajo Nation are currently designated as attainment or unclassifiable for all pollutants for which a National Ambient Air Quality Standard (NAAQS) has been established.

## 3. Prevention of Significant Deterioration (PSD) Applicability

Transwestern Pipeline Company Klargetoh Compressor Station # 4 was constructed in 1967. This existing source is not in one of the 28 source categories defined in 40 CFR § 52.21(b)(1)(iii) and has potential to emit NO<sub>x</sub> and CO greater than 250 TPY. Therefore, this source is an existing PSD major source.

## 4. Federal Rule Applicability

### a. New Source Performance Standard (NSPS) for Stationary Compression Ignition Internal Combustion Engines (40 CFR §§ 60.4200-.4219, Subpart III):

On January 10, 2008, the New Source Performance Standards (NSPS) for Stationary Compression Ignition Internal Combustion Engines (40 CFR § 60.4200-.4219, Subpart III) were promulgated. This standard applies to stationary compression ignition internal combustion engines that commenced construction or have been modified or reconstructed after July 11, 2005 and were manufactured after April 1, 2006. (In this subpart, “commence construction” means when the engine was ordered by the manufacturer.) This subpart does not apply to the engines located at the source because they were installed prior to 2005, and have not been modified or reconstructed since July 11, 2005.

### b. New Source Performance Standard (NSPS) for Stationary Spark Ignition Internal Combustion Engines (40 CFR §§ 60.4230-.4248, Subpart JJJJ):

On January 10, 2008, the New Source Performance Standards (NSPS) for Stationary Spark Ignition Internal Combustion Engines (40 CFR §§ 60.4230-.4248, Subpart III) were promulgated. This subpart applies to stationary spark ignition internal combustion engines manufactured on or after July 1, 2007 or modified or

reconstructed after June 12, 2006. This subpart does not apply to the engines located at the source because they were installed prior to June 12, 2006.

**c. National Emission Standards for Hazardous Air Pollutants (NESHAP) for Oil and Natural Gas Production (40 CFR §§ 63.760-.779, Subpart HH):**

This source does not meet the definition of an oil and natural gas production facility as specified in 40 CFR § 63.760(a). Therefore, this source is not subject to the requirements of the NESHAP in Subpart HH.

**d. NESHAP for Natural Gas Transmission and Storage (40 CFR §§ 63.1270-.1287, Subpart HHH):**

This source does not have glycol dehydration units. Therefore, this source is not subject to the requirements of the NESHAP in Subpart HHH, pursuant to 40 CFR § 63.1270(c).

**e. NESHAP for Reciprocating Internal Combustion Engines (40 CFR §§ 63.6580 -.6675, Subpart ZZZZ):**

This existing source is a HAP major source and has five reciprocating internal combustion engines (RICE): 401, 402, 403, 421, and 422. Therefore, these engines are subject to the requirements of the NESHAP in Subpart ZZZZ. On January 18, 2008, Subpart ZZZZ was revised to extend coverage to RICE that are less than 500 brake hp and to RICE of all sizes that are located at area sources of HAP.

The existing engines (401, 402, 403, 421, and 422) at this source were constructed before December 19, 2002. Therefore, these engines are considered existing affected emission units under this NESHAP, pursuant to 40 CFR § 63.6590(a)(1). Engines 401, 402, and 403 at this source are two-stroke lean-burn (2SLB) engines. Therefore, the emission limits and the operation limits under this NESHAP do not apply to these engines, pursuant to 40 CFR § 63.6600(c). Engines 421 and 422 are four-stroke rich burn (4SRB) engines with a site rating of less than 500 brake HP. Therefore, these engines are not subject to this subpart, pursuant to 40 CFR § 63.6595(a), and no initial notification for these units is required pursuant to 40 CFR § 63.6590(b)(3).

**f. Acid Rain Program (40 CFR Parts 72 through 80)**

This source does not have any affected units specified in 40 CFR § 72.6(a). Therefore, this source is not subject to requirements of the Acid Rain Program.

**g. Continuous Assurance Monitoring (CAM) Program (40 CFR 64)**

None of the emission units at this source use an add-on control device as defined in 40 CFR § 64.1. Therefore, the requirements of 40 CFR Part 64 (CAM) are not applicable.

**h. Asbestos NESHAP (40 CFR Part 61, Subpart M):**

The permittee is subject to the requirements of the Asbestos NESHAP and the applicable requirements are specified in the permit document.

**i. Protection of Stratospheric Ozone (40 CFR 82):**

The permittee is subject to the requirements of 40 CFR Part 82 and the applicable requirements are specified in the permit document.

**Summary of Applicable Federal Requirements**

<b>Federal Air Quality Requirement</b>	<b>Current or Future Requirement</b>
Asbestos NESHAP (40 CFR Part 61, Subpart M)	Current
Protection of Stratospheric Ozone (40 CFR Part 82)	Current

**5. NNEPA Authority**

Authority to administer the Part 71 Permit Program was delegated to NNEPA by U.S. EPA in part on October 13, 2004, and in whole on March 21, 2006. In delegating to NNEPA the authority to administer the Part 71 operating permit program, U.S. EPA determined that NNEPA had adequate independent authority to administer the program, as required by 40 C.F.R. § 71.10(a). U.S. EPA found such authority consisted of having adequate permit processing requirements and adequate permit enforcement-related investigatory authorities. Deleg. Agr. §§ IV, V, VI.1, IX.2. Moreover, before waiving its collection of fees under 40 C.F.R. § 71.9(c)(2)(ii), U.S. EPA determined that NNEPA could collect sufficient revenue under its own authorities to fund a delegated Part 71 Program. Deleg. Agr. at 1 and § II.2. There are therefore references to both federal and tribal provisions in this permit. When federal and tribal provisions are cited in parallel, the tribal provisions are identical to the federal provisions and NNEPA is proposing that compliance with the federal provision will constitute compliance with the tribal counterpart.

All federal terms and conditions of the permit are enforceable by both NNEPA and U.S. EPA, as well as by citizens, under the federal Clean Air Act, with one exception: the reopening provision, contained in Condition IV.L of the existing permit. U.S. EPA may not delegate its authority to reopen a permit or to respond to a petition to reopen the permit. See 40 C.F.R. §§ 71.7(g), 71.10(h). At the same time, NNEPA must retain its own authority to reopen a permit in order to be delegated the Part 71 program. Under § 71.7(g), even when U.S. EPA initiates the reopening process U.S. EPA must provide the delegate

authority an opportunity to revise the permit prior to U.S. EPA itself being able to take such action. NNEPA therefore is proposing to include two reopening provisions, Condition IV.K. and a new Condition IV.L., one for U.S. EPA's reopening authority and one for NNEPA's.

The permit also clarifies that all provisions of Navajo law referenced in the permit are tribally enforceable only, under the NNOPR and the Navajo Nation Air Pollution Prevention and Control Act, 4 N.N.C. §§ 1101-1162. In addition to the permit conditions citing NNOPR provisions in conjunction with provisions of Part 71, there are two proposed conditions that refer to Navajo law only: the second reopening condition, discussed above, and Condition IV.A (Fee Payment), which refers only to the NNOPR because U.S. EPA waived its collection of fees, also noted above. Like the other NNOPR provisions, these provisions are proposed to be labeled as tribally enforceable only.

Finally, under Condition III.C. (Reporting Requirements), certain reports would no longer be required to be submitted to U.S. EPA; instead, those reports would be submitted only to NNEPA.

## **6. Endangered Species Act**

Pursuant to Section 7 of the Endangered Species Act (ESA), 16 U.S.C. § 1536, and its implementing regulations at 50 CFR Part 402, U.S. EPA is required to ensure that any action authorized, funded, or carried out by U.S. EPA is not likely to jeopardize the continued existence of any federally listed endangered species or threatened species, or result in the destruction or adverse modification of the designated critical habitat of any such species. NNEPA is issuing this federal Part 71 permit pursuant to a delegation from U.S. EPA. However, this permit does not authorize the construction of new emission units, or emission increases from existing units, nor does it otherwise authorize any other physical modifications to the facility or its operations. Therefore, NNEPA and U.S. EPA have concluded that the issuance of this permit will have no effect on listed species or their critical habitat.

## **7. Use of All Credible Evidence**

Determinations of deviations, continuous or intermittent compliance status, or violations of the permit are not limited to the testing or monitoring methods required by the underlying regulations or this permit; other credible evidence (including any evidence admissible under the Federal Rules of Evidence) must be considered by the source, NNEPA, and U.S. EPA in such determinations.

## **8. Public Participation**

### **a. Public Notice**

As described in 40 C.F.R. § 71.11(a)(5) and NNOPR Subpart IV § 403(A), all draft operating permits shall be publicly noticed and made available for public comment. The public notice requirements for permit actions and the public comment period

are described in 40 C.F.R. § 71.11(d) and NNOPR Subpart IV.

A 30-day public comment period applies to actions pertaining to a draft permit. NNEPA will provide public notice for this draft permit by mailing a copy of the notice to the permit applicant, to U.S. EPA, and to the affected state (Arizona). A copy of the notice will also be provided to all persons who submitted a written request to be included on the mailing list. The request should be made to the following:

Charlene Nelson (Program Supervisor)  
Navajo Nation Air Quality Control Program  
OPP Section  
P.O. Box 529  
Fort Defiance, AZ 86504

E-mail: [charlenenelson@navajo.org](mailto:charlenenelson@navajo.org)

Public notice will be published in a daily or weekly newspaper of general circulation in the area affected by this source.

**b. Opportunity for Comment**

Members of the public may review a copy of the draft permit prepared by NNEPA, this statement of basis for the draft permit, the application, and all supporting materials submitted by the source at:

Navajo Nation Air Quality Control Program  
OPP Section  
Route 112 North, Building No. 2837  
Fort Defiance, AZ 86504

Copies of the draft permit and this statement of basis can also be obtained free of charge from NNEPA's website at:

<http://www.navajonationepa.org/opp/permits.html>

or by contacting Charlene Nelson (Program Supervisor) at the NNAQCP office indicated above or by telephone at (928) 729-4247. All documents will be available for review at the NNAQCP office during regular business hours.

If you have comments on the draft permit, you must submit them during the 30-day public comment period. All significant comments received during the public comment period and all significant comments made at any public hearing will be considered in arriving at a final decision on the permit. The final permit is a public record that can be obtained by request. NNEPA will send a statement of reason for

changes made to the draft permits and responses to comments received to persons who commented on the draft permit.

If you believe that any condition of the draft permit is inappropriate, you must raise all reasonably ascertainable issues and submit all arguments supporting your position by the end of the comment period. Any supporting documents must be included in full and may not be incorporated by reference, unless they are already part of the administrative record for this permit or consist of tribal, state or federal statutes or regulations, or other generally available referenced materials.

**c. Opportunity to Request a Hearing**

A person may submit a written request for a public hearing to Charlene Nelson (Program Supervisor), at the NACQP office indicated in Section 8(a) above, by stating the nature of the issues to be raised at the public hearing. Based on the number of hearing requests received, NNEPA will hold a public hearing whenever it finds there is a significant degree of public interest in a draft operating permit. If a public hearing is held, NNEPA will provide public notice of the hearing, and any person may submit oral or written statements and data concerning the draft permit.

**d. Mailing List**

If you would like to be added to our mailing list to be informed of future actions on this or other Clean Air Act permits issued on the Navajo Nation, please send your name and address to Charlene Nelson (Program Supervisor) at the NACQP office indicated in Section 8(a) above.