



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 7  
11201 RENNER BOULEVARD  
LENEXA, KANSAS 66219

UNITED STATES  
ENVIRONMENTAL PROTECTION  
AGENCY-REGION 7  
2020 FEB -6 PM 12:08

## **EXPEDITED SETTLEMENT AGREEMENT (ESA)**

**DOCKET NO.:** CAA-07-2020-0011

**This ESA is issued to:** ONEOK Hydrocarbon, LP  
**At:** 661 Highway 56, McPherson, Kansas 67460  
**for violating Section 112(r)(7) of the Clean Air Act.**

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The United States Environmental Protection Agency, Region 7 (EPA) and ONEOK Hydrocarbon, LP (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 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 Enforcement and Compliance Assurance Division. Respondent is ONEOK Hydrocarbon, LP, 661 Highway 56, McPherson, Kansas 67460.

This is an administrative action for the assessment of civil penalties instituted pursuant to Section 113(d) of the Clean Air Act (CAA). Pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d), the Administrator and the Attorney General jointly determined that cases which meet the criteria set forth in EPA's policies entitled "Use of Expedited Settlements in Addressing Violations of the Clean Air Act Chemical Accident Prevention Provisions, 40 C.F.R. Part 68," dated January 5, 2004, and "Changes to Restrictions on the Use of Expedited Settlements in Addressing Violations of the Clean Air Act Chemical Accident Prevention Provisions," dated December 20, 2013, are appropriate for administrative penalty action.

### ALLEGED VIOLATIONS

On June 25-26, 2019, an authorized representative of the EPA conducted a compliance inspection of Respondent's facility located at 661 Highway 56, McPherson, Kansas, to determine compliance with the Chemical Accident Prevention Provisions (CAPP), commonly known as the Risk Management Program regulations, promulgated at 40 C.F.R. Part 68 under Section 112(r) of the CAA. The EPA found that Respondent had violated regulations implementing Section 112(r) of the CAA by failing to comply with the regulations as noted on the enclosed Chemical Accident Prevention Provisions Inspection Findings (CAPP Inspection Findings), which is hereby incorporated by reference.

## 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 CAPP Inspection Findings, for the total penalty amount of **\$2,500**.

This settlement is subject to the following terms and conditions:

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 CAPP Inspection 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 CAA, 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 Respondent has corrected the violations listed in the enclosed CAPP Inspection Findings and has sent a cashier's check or certified check (payable to the "United States Treasury") in the amount of **\$2,500** 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-07-2020-0011 and must be included on the check.

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

Christine Hoard  
Chemical Branch  
U.S. Environmental Protection Agency, Region 7  
11201 Renner Boulevard  
Lenexa, Kansas 66219.

A copy of the check must also be sent to:

Lisa Haugen  
Regional Hearing Clerk  
U.S. Environmental Protection Agency, Region 7  
11201 Renner Boulevard  
Lenexa, Kansas 66219.

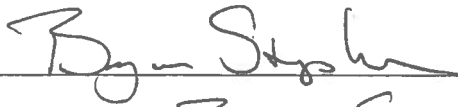
Full payment of the ESA penalty shall only resolve Respondent's liability for federal civil penalties for the violations alleged in the CAPP Inspection Findings. The EPA does not waive any other enforcement action for any other violations of the CAA or any other statute.

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 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 CAPP Inspection Findings.

This ESA is binding on the parties signing below.

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

FOR RESPONDENT:

  
\_\_\_\_\_

Date: 1-27-2020

Name (print): Bryan Stephens  
\_\_\_\_\_

Title (print): Manager  
\_\_\_\_\_

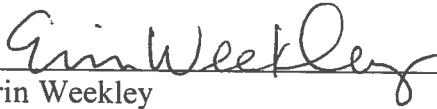
ONEOK Hydrocarbon, LP

FOR COMPLAINANT:



\_\_\_\_\_  
David Cozad  
Director  
Enforcement and Compliance Assurance Division  
EPA Region 7

Date: 1/30/2020



\_\_\_\_\_  
Erin Weekley  
Chemical Management Branch Chief  
Office of Regional Counsel  
EPA Region 7

Date: 1/30/2020

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

Karina Borromeo

Karina Borromeo  
Regional Judicial Officer

Date: Feb. 6, 2020

**Chemical Accident Prevention Provisions Inspection Findings  
CAA § 112(r) Violations**

**ONEOK Hydrocarbon LP  
Conway LPG Storage Facility  
661 Highway 56  
McPherson, Kansas 67460  
Docket No.: CAA-07-2020-0011**

**COMPLETE THIS FORM AND RETURN IT WITH THE ESA.**

**VIOLATIONS**

**PENALTY AMOUNT**

**Risk Management Plan [40 CFR § 160(b)(7)]**

**\$1,000**

**The owner or operator failed to report the correct maximum intended inventory for each regulated substance or mixture in the process in the RMP.**

***Facility addressed this post inspection.***

**Emergency Response Program [40 CFR § 68.180]**

***No penalty assessed***

**The owner or operator failed to submit an RMP that correctly included the information required regarding the emergency response program. (Section 9)**

***How was this addressed:***

In the next Facility RMP Update, ONEOK will indicate the facility as a non-responder.

**Hazard Assessment**

**Worst-case Release Scenario Analysis [40 CFR § 68.25(b)]**

**\$600**

**The owner or operator failed to consider the piping for the salt dome storage caverns when determining the worst-case scenario.**

***How was this addressed:***

In the ONEOK Response letter to EPA dated October 18, 2019, the following was conveyed: "Piping was not included in the RMP worst-case scenario because the release volume is significantly less than the two product scenarios found in the current RMP for "worst-case scenarios". In the next RMP update, ONEOK will add the above ground piping information related to piping for the salt dome caverns.

**Prevention Program**

**Safety Information [40 CFR § 68.65(c)(1)(iii)]**

*No penalty assessed*

The owner or operator failed to properly report the maximum intended inventory of the site.

*Facility addressed this post inspection.*

**Safety Information [40 CFR § 68.65(c)(1)(iv)]**

**\$600**

The owner or operator failed to compile written process safety information on the safe upper and lower limits for such items as temperatures, pressures, flows or compositions.

*Facility addressed this post inspection.*

**Incident Investigation [40 CFR § 68.81(d)(2) & (d)(8)]**

**\$300**

The owner or operator failed to gather information during incident investigation, specifically not noting the date investigation began and not listing recommendations for the investigation.

*Facility addressed this post inspection.*

**Total Unadjusted Penalty**

**\$2,500**

**Calculation of Adjusted Penalty**

1<sup>st</sup> Reference the Multipliers for calculating proposed penalties for violations found during RMP inspection matrix. Finding the column for 10-100 employees and the row for >10 times the threshold quantity of 10,000 pounds of flammable mixture as listed in 40 C. F. R. Part 68.130 for the amount in a process gives a multiplier factor of 1.0. Therefore, the multiplier for Conway LPG Storage Facility = 1.0

***\*\*No adjusted penalty since multiplier is 1***

**Total Penalty**

**\$2,500**

**This section must be also completed and signed by ONEOK Hydrocarbon LP,  
Conway LPG Storage Facility:**

The approximate cost to correct the above items: \$ \$8,500.00

Compliance staff name: Bryan Stephens

Signed: Bryan Stephens Date: 1/27/2020