



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

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EPA REGION VIII  
HEARING CLERK

DOCKET NO.: CAA-08-2019-0002

IN THE MATTER OF:	)	
	)	
TALLGRASS MIDSTREAM, LLC; AND	)	FINAL ORDER
TALLGRASS INTERSTATE GAS	)	
TRANSMISSION, LLC	)	
	)	
	)	
RESPONDENT	)	

Pursuant to 40 C.F.R. § 22.13(b) and §§ 22.18(b)(2) and (3) of EPA’s Consolidated Rules of Practice, the Consent Agreement resolving this matter is hereby approved and incorporated by reference into this Final Order.

The Respondent is hereby **ORDERED** to comply with all of the terms of the Consent Agreement, effective immediately upon filing this Combined Complaint and Consent Agreement and Final Order.

SO ORDERED THIS 20<sup>th</sup> DAY OF February, 2019.

Katherin E. Hall  
Katherin E. Hall  
Regional Judicial Officer

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In the Matter of:	)	
	)	
TALLGRASS MIDSTREAM, LLC; <i>and</i>	)	COMBINED COMPLAINT
TALLGRASS INTERSTATE GAS	)	AND CONSENT AGREEMENT
TRANSMISSION, LLC,	)	<b>Docket No: CAA-08-2019-0002</b>
	)	
Casper Compressor Station and	)	
Gas Plant	)	
	)	
Respondents.	)	
	)	

**COMBINED COMPLAINT AND CONSENT AGREEMENT**

**I. PRELIMINARY STATEMENT**

1. This is an administrative penalty assessment proceeding brought under section 113(d) of the Clean Air Act (CAA or the Act), 42 U.S.C. § 7413(d), and sections 22.13 and 22.18 of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at 40 C.F.R. part 22.

2. Complainant is the undersigned delegated representative of the United States Environmental Protection Agency, Region 8. On the EPA's behalf, Suzanne J. Bohan, Assistant Regional Administrator for the Office of Enforcement, Compliance and Environmental Justice, is delegated the authority to settle civil administrative penalty proceedings under section 113(d) of the Act.

3. Respondents are Tallgrass Midstream, LLC, organized under the laws of Delaware, and Tallgrass Interstate Gas Transmission, LLC, organized under the laws of

Colorado, and both corporations (collectively, Tallgrass) are doing business in the state of Wyoming.

4. Each respondent is a “person” as defined in section 302(e) of the Act, 42 U.S.C. § 7602(e).

5. Complainant and Respondents (collectively the Parties) consent to the entry of this combined complaint and consent agreement (Agreement) without adjudication of any issues of law or fact herein, and Respondents agree to comply with the terms of this Agreement. Complainant further determines that settlement of this action is in the public interest.

6. The Wyoming Department of Environmental Quality (WDEQ) is bringing a separate but concurrent action, filed in Wyoming state court, concerning separate allegations referencing 40 C.F.R. Part 60, subparts KKK and OOOO and 40 C.F.R. Part 63, subpart HH at the Facility. Pursuant to sections 111(c) and 112(l) of the Clean Air Act, the EPA has conferred primary responsibility for implementation and enforcement of 40 C.F.R. part 60, subparts KKK and OOOO and 40 C.F.R. part 63, subpart HH, to WDEQ while retaining the concurrent authority to enforce the standards. Settlement of both this matter and the concurrent state action has occurred through negotiations where all parties (EPA, WDEQ, and Respondents) have participated and conclusion of these separate settlements will be concurrent. Pursuant to their authorities under the Clean Air Act, the WDEQ and EPA are each enforcing these new source performance standards and emission standards for hazardous air pollutants. 42 U.S.C. §§ 7411(c) and 7412(l).

## **II. JURISDICTION**

7. This Agreement is entered into under section 113(d) of the Act, as amended, 42 U.S.C. § 7413(d), and the Consolidated Rules, 40 C.F.R. part 22. The alleged violations in this Agreement are pursuant to section 113(a)(3)(A) of the CAA, 42 U.S.C. § 7413(a)(3)(A).

8. The EPA and the Department of Justice determined that this matter, although it involves alleged violations that occurred more than one year before the initiation of this proceeding, is appropriate for an administrative penalty assessment. 42 U.S.C. § 7413(d).

9. The Regional Judicial Officer is authorized to ratify this Agreement, which memorializes a settlement between Complainant and Respondents, in a final order. 40 C.F.R. §§ 22.4(b) and 22.18(b).

10. This Agreement and Final Order simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b) and 22.34(b).

### **III. GOVERNING LAW**

11. The CAA establishes a regulatory scheme “to protect and enhance the quality of the Nation’s air resources so as to promote the public health and welfare and the productive capacity of its population.” 42 U.S.C. § 7401(b)(1).

#### **A. Subpart KKK**

12. Section 111 of the CAA authorizes the Administrator of the EPA to promulgate standards of performance applicable to stationary sources of air pollution that “may reasonably be anticipated to endanger public health or welfare.” 42 U.S.C. § 7411(b).

13. In 1985, the EPA promulgated under the CAA “Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants.” 50 Fed. Reg. 26,124 (June 24, 1985). Those standards are located in 40 C.F.R part 60, subpart KKK (hereinafter Subpart KKK), which includes 40 C.F.R. §§ 60.630–36.

14. Subpart KKK applies to certain “affected facilities” modified after January 20, 1984, and on or before August 23, 2011.

15. Subpart KKK includes requirements for monitoring valves and other components for leaks of air pollutants, repairing leaks, recordkeeping, and reporting to regulators. Subpart KKK also incorporates certain other regulations in 40 C.F.R. part 60 by reference.

16. Pursuant to 40 C.F.R. § 60.632(a), each owner or operator subject to Subpart KKK must comply with 40 C.F.R. §§ 60.482-1(a), (b), and (d) and 60.482-2 through 60.482-10, except as provided in 40 C.F.R. § 60.633.

17. Pursuant to 40 C.F.R. § 60.632(d), each owner or operator subject to Subpart KKK must comply with 40 C.F.R. § 60.485.

18. Each requirement of Subpart KKK is a “standard of performance” within the meaning of section 111(a)(1) of the CAA, 42 U.S.C. § 7411(a)(1).

**B. Subpart HH**

19. Section 112 of the CAA authorizes the Administrator of the EPA to promulgate regulations establishing emission standards for certain sources of air pollutants.

20. In 1999, the EPA promulgated under the CAA “National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities.” 64 Fed. Reg. 32,628 (June 17, 1999). Those standards are located in 40 C.F.R. part 63, subpart HH (hereinafter Subpart HH), which includes 40 C.F.R. §§ 63.760–77.

21. Subpart HH includes requirements for monitoring valves and other components for leaks of air pollutants, repairing leaks, recordkeeping, and reporting to regulators. Subpart HH also incorporates certain other regulations in 40 C.F.R. part 61 by reference.

**IV. GENERAL ALLEGATIONS BY EPA**

22. At all times relevant, Respondents owned and operated an onshore natural gas processing plant, the Casper Compressor Station and Gas Plant (the Facility) located in Natrona County, near the town of Casper, Wyoming.

**A. Subpart KKK**

23. The Facility is a “natural gas processing plant (gas plant)” within the meaning of 40 C.F.R. § 60.631.

24. The Facility contains “affected facilities” under 40 C.F.R. § 60.630(a), and the affected facilities are “new sources” within the meaning of section 111(a)(2) of the Clean Air Act, 42 U.S.C. § 7411(a)(2).

25. Natural gas liquids contain, among other things, volatile organic compounds, or VOCs.

26. VOCs are organic chemical compounds whose composition makes it possible for them to evaporate under normal atmospheric conditions of temperature and pressure.

27. VOCs are a “pollutant” within the meaning of the CAA.

28. VOCs form ground-level ozone by reacting with sources of oxygen molecules, e.g., nitrogen oxides and carbon monoxide, in the atmosphere in the presence of sunlight.

29. The Facility uses “equipment” within the meaning of 40 C.F.R. § 60.631, including without limitation pumps, pressure relief devices, and valves “in gas/vapor service,” “in light liquid service,” “in VOC service” or “in wet gas service,” within the meaning of 40 C.F.R. §§ 60.481 and 60.631.

30. At all times during which they owned or operated the Facility, Respondents have been subject to the provisions of Subpart KKK.

31. The Facility contains multiple “process units” within the meaning of 40 C.F.R. § 60.631.

32. When the equipment at the Facility leaks, it can release VOCs to the atmosphere.

33. Pursuant to Subpart KKK, owners and operators of onshore natural gas processing plants must monitor certain equipment for leaks of VOCs using “Method 21.”

34. “Method 21” means the test method found at 40 C.F.R. part 60, appendix A, Method 21.

35. To the extent that the equipment at the Casper Compressor Station and Gas Plant is subject to regulations that modify Method 21, those modifications are applicable.

36. Method 21 entails, *inter alia*, using a calibrated meter with a probe to carefully measure around equipment for leaks of VOCs or other regulated pollutants.

**B. Subpart HH**

37. The Facility is a “natural gas processing plant (gas plant)” within the meaning of 40 C.F.R. § 63.761, and contains “affected facilities” under of 40 C.F.R. § 63.760(b)(1)(iv).

38. At all times alleged during the Complaint, the Facility was a “major source” within the meaning of section 112(a)(1) of the CAA, 42 U.S.C. § 7412(a)(1), and 40 C.F.R. § 63.761.

39. Natural gas liquids contain volatile hazardous air pollutants, or VHAPs.

40. Emissions from various processes and operations at natural gas processing plants typically contain at least five different VHAPs: benzene, toluene, ethyl benzene, mixed xylenes, and n-hexane.

41. Benzene (Chemical Abstracts Service registry number (CAS No.) 71432), Toluene (CAS No. 108883), Ethyl Benzene (CAS No. 100414), mixed Xylenes (CAS Nos. 1330207, 95476, 108383, and 106423), and Hexane (CAS No. 110543), including n-hexane, are listed as hazardous air pollutants in section 112(b)(1) of the Clean Air Act, 42 U.S.C. § 7412(b)(1).

42. Certain equipment at the Facility, including certain valves, pumps, and pressure relief devices, are subject to Subpart HH and operated “in VHAP service,” within the meaning of 40 C.F.R. § 63.761, for at least 300 hours per calendar year.

43. The Facility used “ancillary equipment” within the meaning of 40 C.F.R. § 63.761, including without limitation pumps, pressure relief devices, and valves intended to operate “in VHAP service.”

44. At all times relevant, Respondents have been subject to the provisions of Subpart HH with respect to the Facility.

45. When the “ancillary equipment” at the Facility leaks, it can release VHAPs to the atmosphere.

46. Pursuant to Subpart HH, owners and operators of “natural gas processing plants” must monitor certain equipment for leaks of VHAPs using “Method 21,” including any applicable modifications of Method 21.

#### V. EPA’s ALLEGED VIOLATIONS OF LAW

47. With certain exceptions and alternatives not relevant here, pursuant to Subparts KKK and HH, Respondents were required to monitor valves “in gas/vapor service,” “in light liquid service,” and “in VHAP service,” pumps in “light liquid service” and “in VHAP service,” and pressure relief devices “in gas/vapor service” for leaks using Method 21. 40 C.F.R. §§ 60.482-2, 60.482-4, 60.482-7, 60.485(b)(1), 61.242-2, 61.242-4, 61.242-7, and 61.245(b)(1).

48. Pursuant to 40 C.F.R. § 63.760(g)(1) (2012), prior to August 16, 2012, Respondents were only required to comply with the requirements of Subpart KKK if the “ancillary equipment” was subject to both Subparts KKK and HH.

49. From at least August 1, 2009 and including the period until January 1, 2018, Respondents failed to conduct leak testing on every valve, pump, and pressure relief device that was “in gas/vapor service,” “in light liquid service,” “in wet gas service,” “in VOC service,” or “in VHAP service” at the Facility.



50. Each of these failures to perform leak testing is a separate violation of either: (i) Subpart KKK and section 111 of the CAA; or (ii) Subpart HH and section 112 of the CAA.

**VI. TERMS OF CONSENT AGREEMENT**

51. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2),

Respondents:

- a) admit that the EPA has jurisdiction over the subject matter alleged in this Agreement;
- b) neither admit nor deny the EPA's allegations in Sections IV and V above;
- c) consent to the assessment of a civil penalty as stated below;
- d) consent to the conditions specified in this Agreement;
- e) consent to any permit action required to fulfill this Agreement;
- f) waive any right to contest the alleged violations, the terms of this Agreement, and the conditions specified in this Agreement; and
- g) waive their rights to appeal any Final Order which approves this Agreement.

52. For the purpose of this proceeding, Respondents:

- a) agree that this Agreement states a claim upon which relief may be granted against Respondents;
- b) acknowledge that this Agreement constitutes an enforcement action for purposes of considering Respondents' compliance history in any subsequent enforcement actions;
- c) waive any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that Respondents may have with respect to any issue of fact

or law set forth in this Agreement, including any right of judicial review under section 307(b)(1) of the Clean Air Act, 42 U.S.C. § 7607(b)(1);

*d)* consent to personal jurisdiction in any action to enforce this Agreement, in the United States District Court for the District of Wyoming; and

*e)* waive any rights they may possess at law or in equity to challenge the authority of the EPA to bring a civil action in a United States District Court to compel compliance with this Agreement, and to seek an additional penalty for such noncompliance, and agree that federal law shall govern in any such civil action.

53. Section 113(d)(1)(B) of the Act, 42 U.S.C. § 7413(d)(1)(B), and 40 C.F.R. part 19 authorize the assessment of a civil penalty of up to \$37,500 per day of violation occurring between January 13, 2009 and November 2, 2015, and up to \$46,192 per day of violation occurring after November 2, 2015 for each violation of the implementing regulations associated with the CAA. To determine the amount of the civil penalty to be assessed pursuant to section 113(e)(1) of the Act, 42 U.S.C. § 7413(e)(1), the EPA took into account, in addition to such other factors as justice may require, the size of the business, the economic impact of the penalty on the business, Respondents' full compliance history and good faith efforts to comply, the duration of the violations as established by any credible evidence, payment by the Respondents of penalties previously assessed for the same violations, the economic benefit of noncompliance, and the seriousness of the violations.

54. The EPA has compromised the civil penalty pursuant to section 113(d)(2)(B) of the Act, 42 U.S.C. § 7413(d)(2)(B).

55. Respondents agree to:

*a)* pay the civil penalty of \$118,250 (EPA Penalty) within 30 calendar days of the Effective Date of this Agreement and Final Order.

*b)* pay the EPA Penalty using the instructions found in Attachment A (Payment Instructions). Within 7 business days of payment of the EPA Penalty, send proof of payment to Laurie Ostrand at [ostrand.laurie@epa.gov](mailto:ostrand.laurie@epa.gov) (proof of payment means, as applicable, a copy of the check, confirmation of credit card or debit card payment, confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to the EPA requirements).

56. If Respondents fail to timely pay any portion of the penalty assessed under this Agreement, the EPA may:

*a)* request the Attorney General bring a civil action in an appropriate district court to recover: the amount assessed; interest at rates established pursuant to 26 U.S.C. § 6621(a)(2); the United States' enforcement expenses; and a 10 percent quarterly nonpayment penalty, 42 U.S.C. § 7413(d)(5);

*b)* refer the debt to a credit reporting agency or a collection agency, 42 U.S.C. § 7413(d)(5), 40 C.F.R. §§ 13.13, 13.14, and 13.33;

*c)* collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 40 C.F.R. part 13, subparts C and H; and

*d)* suspend or revoke Respondents' licenses or other privileges, or suspend or disqualify Respondents from doing business with the EPA or engaging in programs the EPA sponsors or funds, 40 C.F.R. § 13.17.

57. Conditions. As a condition of settlement, Respondents agree to the following:

a) Subpart OOOO Applicability and Construction Permit:

(1) By the Effective Date of this Agreement, Respondents shall accept 40 C.F.R. part 60, subpart OOOO applicability for the group of “equipment” within all “process units” as these terms are defined at 40 C.F.R. § 60.5430 at the Facility. When the terms “equipment” and “process unit” are used in this Agreement, they shall have the definition provided in 40 C.F.R. § 60.5430.

(2) Respondents agree to submit to the WDEQ Air Quality Rules Chapter 6, Section 2 construction permit applications for the Compressor Station and the Gas Plant that include the requirements described in Section V.A. of the WDEQ Consent Decree, within 60 days of entry of the Consent Decree by the Wyoming District Court.

b) Subpart OOOO Operating Permit. Respondents agree to submit to WDEQ Air Quality Rules Chapter 6, Section 2 or 3 operating permit revision applications, as applicable, to incorporate the provisions of the Chapter 6, Section 2 construction permit specified above, no later than 180 days from issuance of the associated Chapter 6, Section 2 permit discussed above.

c) Facility-wide Leak Detection and Repair (LDAR) Document. By no later than 90 days after the entry of the WDEQ Consent Decree by the Wyoming District Court, Respondents shall develop and propose a leak detection and repair protocol, acceptable to WDEQ, for process units at the Facility based on the alternatives and exceptions under 40 C.F.R. §§ 60.5400, 60.5401, 60.5402. The protocol should include the following components: (i) a summary of applicable LDAR requirements of NSPS subpart OOOO and this Agreement; (ii) definition of the scope of the LDAR program at the Facility, including what equipment and process units are subject to LDAR, and what standards and exemptions apply; (iii) definition of

procedures and responsibilities for implementing the LDAR program at the Facility, including but not limited to a tracking program (e.g., Management of Change) that requires that new pieces of equipment added to the Facility for any reason are integrated into the LDAR program and that pieces of equipment that are taken out of service are removed from the LDAR program; and (iv) a plan to monitor any unsafe to monitor components at the Facility, should they ever be installed.

*d)* Quality Assurance/Quality Control (QA/QC). Commencing no later than the first full calendar quarter after the Effective Date of this Agreement and continuing for an additional seven (7) calendar quarters (for a total of eight (8) quarterly reviews), at times that are not announced to the LDAR monitoring technicians, Respondents shall have an LDAR-trained employee or contractor of Respondents, who does not serve on a routine basis as an LDAR monitoring technician at the Casper Compressor Station and Gas Plant, undertake the following no less than once per calendar quarter: (1) Verify that the equipment was monitored at the frequency required by regulation; (2) Verify that proper documentation and sign-offs have been recorded for all equipment placed on the delay-of-repair list; (3) Ensure that repairs have been performed in the required periods; (4) Review monitoring data and equipment counts (e.g., number of pieces of equipment monitored per day) for feasibility and unusual trends; (5) Verify that proper calibration records and monitoring instrument maintenance information are maintained; (6) Verify that other LDAR program records are maintained as required; and (7) Observe in the field each LDAR monitoring technician who is conducting quarterly leak detection monitoring to ensure that monitoring is being conducted as required. Respondents shall promptly correct any deficiencies detected or observed pursuant to this subparagraph. Respondents shall maintain a log that: (i) records the date and time that the reviews,

verifications, and observations required by this subparagraph are undertaken; and (ii) describes the nature and timing of any corrective actions taken.

e) Third-Party Audit. By no later than 180 days after the Effective Date of this Agreement, Respondents must ensure that a third-party LDAR audit is completed at the Facility. Respondents shall ensure that the LDAR audit includes: (i) reviewing compliance with all applicable LDAR regulations, including LDAR requirements related to valves and pumps in heavy liquid service; (ii) reviewing and/or verifying the same items that are required to be reviewed and/or verified in subparagraph 57.d); (iii) reviewing whether any pieces of equipment that are required to be in the LDAR program are not included; and (iv) “Comparative Monitoring” as described in subparagraph 57.e)(1). Respondents shall retain a third party with experience in conducting LDAR audits. Respondents shall select a different company than the Facility’s regular LDAR contractor to perform the third party audit and Respondents may not hire that company as the Facility’s regular LDAR contractor during the life of the Combined Complaint and Consent Agreement.

(1) Comparative Monitoring. Respondents shall ensure that Comparative Monitoring during the LDAR audit is undertaken as follows:

(a) Calculating a Comparative Monitoring Audit Leak Percentage. Equipment must be monitored in order to calculate a leak percentage for each process unit, broken down by type of equipment (*i.e.*, valves and pumps). For descriptive purposes under this subparagraph, the monitoring that takes place during an LDAR audit will be called “Comparative Monitoring” and the leak percentages derived from the Comparative Monitoring will be called the “Comparative Monitoring Audit Leak Percentages.” In undertaking

Comparative Monitoring, Respondents shall not be required to monitor every component in each process unit.

(b) Calculating the Historic, Average Leak Percentage from Prior Periodic Monitoring Events. For each process unit, the historic, average leak percentage from prior periodic monitoring events, broken down by type of equipment (*i.e.*, valves (excluding pressure relief valves) and pumps) must be calculated. The following number of complete monitoring periods immediately preceding the Comparative Monitoring must be used for this purpose: valves: 4 periods; pumps: 12 periods. The preceding monitoring periods may comprise a mix of the monitoring periods and frequencies specified in the applicable LDAR regulations.

(c) Calculating the Comparative Monitoring Leak Ratio. For each process unit and each type of “equipment,” the ratio of the Comparative Monitoring Audit Leak Percentage from subparagraph 57.e)(1)(a) to the historic, average leak percentage from subparagraph 57.e)(1)(b) must be calculated. This ratio will be called the “Comparative Monitoring Leak Ratio.” If the denominator in this calculation is “zero,” it will be assumed (for purposes of this calculation but not for any other purpose under this Agreement or under any applicable laws and regulations) that one leaking piece of equipment was found in the process unit through routine monitoring during the 12-month period before the Comparative Monitoring.

(2) Corrective Action Plan (CAP).

(a) Requirements of a CAP. By no later than the date that is one month after the LDAR audit completion date, Respondents shall develop a CAP if: (i) the results of an LDAR audit identify any deficiencies with the required included elements of the LDAR audit identified in 57.e); or (ii) a Comparative Monitoring Leak Ratio calculated pursuant

to subparagraph 57.e)(1)(c) is 3 or higher *and* the Comparative Monitoring Audit Leak Percentage calculated pursuant to subparagraph 57.e)(1)(a) is greater than or equal to 0.5 percent. The CAP must describe the actions that Respondents have taken or will take to address: (i) the deficiencies; and (ii) the causes of a Comparative Monitoring Leak Ratio that is 3.0 or higher (but only if the Comparative Monitoring Audit Leak Percentage is at or above 0.5 percent). Respondents shall include a schedule by which actions that have not yet been completed must be completed. Respondents shall promptly complete each corrective action item with the goal of completing each action within the date that is 90 days after the LDAR audit completion date.

(b) Submission of the Final CAP to EPA. By no later than 120 days after the LDAR audit completion date, Respondents shall submit the CAP to EPA, together with a certification of the completion of each item of corrective action. If any action is not completed within 90 days after the LDAR audit completion date, Respondents shall explain the reasons, together with a proposed schedule for prompt completion. Respondents shall submit a supplemental certification of completion by no later than 30 days after completing all actions.

f) Low-Emission (Low-E) Valves and Packing. Commencing no later than 180 days after the Effective Date of this Agreement and continuing for twenty-four months, Respondents shall ensure that each new valve (other than a valve that serves as the closure device on an open-ended line) that is installed in each process unit, and that when installed will be regulated under NSPS subpart OOOO's LDAR provisions, either is a Low-E Valve or is fitted with Low-E Packing. This requirement applies to new valves that are added to a process unit and to existing valves that are replaced for any reason in a process unit. The requirements of subparagraph 59.f shall be performed for the purpose of mitigating environmental harm allegedly caused by the violations alleged in Section V.



(1) “Low-Emissions Valve” or “Low-E Valve” means either of the following:

(a) A valve (including its specific packing assembly or stem sealing component) for which the manufacturer has issued a written warranty that it will not emit fugitives at greater than 100 ppm, and that, if it does so emit at greater than 100 ppm at any time in the first five years after installation, the manufacturer will replace the valve; or

(b) A valve (including its specific packing assembly or stem sealing component) for which the manufacturer has stated in writing that: (i) the valve has been tested by the manufacturer or a qualified testing firm pursuant to generally accepted good engineering practices for testing fugitive emissions and that, during the test, at no time leaked at greater than 500 ppm, and on average, had a screening value of less than 100 ppm; or (ii) is an “extension of another valve” that qualified as “Low-E” under this subparagraph 57.f(1)(b)(i).

(2) “Low-Emissions Packing” or “Low-E Packing” means either of the following:

(a) A valve packing product, independent of any specific valve, for which the manufacturer has issued a written warranty that the packing will not emit fugitive emissions at greater than 100 ppm, and that, if it does so emit at greater than 100 ppm at any time in the first five years after installation, the manufacturer will replace the product; or

(b) A valve packing product, independent of any specific valve, for which the manufacturer has stated in writing that the valve packing product has been tested by the manufacturer or a qualified testing firm pursuant to generally accepted good engineering practices for testing fugitive emissions, and that, during the test, at no time leaked at greater than 500 ppm, and on average, had a screening value of less than 100 ppm.

g) Equipment Monitoring and Database. By no later than the Effective Date of this Agreement and continuing until termination of the Agreement, for all equipment, Respondents shall use an instrument attached to a data logger (or an equivalent instrument) which directly records electronically the screening value (the highest emission level that is recorded at each piece of equipment as it is monitored in compliance with Method 21) detected at each piece of equipment, the date and time that each screening value is taken, and the identification numbers of the monitoring instrument and the technician. Respondents shall transfer this monitoring data to an electronic database on at least a weekly basis for recordkeeping purposes.

h) Optical Gas Imaging Program: By no later than 90 days after the entry of the WDEQ Consent Decree by the Wyoming District Court, Respondents shall develop a protocol, acceptable to WDEQ, for semiannual optical gas imaging emission monitoring of equipment (as that term is defined at 40 C.F.R. § 60.5430) at the Facility. Tallgrass shall utilize this protocol no later than 180 days after the entry of the WDEQ Consent Decree and continue its use for four semi-annual monitoring surveys.

(1) This monitoring must be in accordance with the instrument manufacturer's operating parameters, and the instrument shall be maintained according to manufacturer's recommendations.

(2) All emissions from equipment in VOC service that are imaged by the optical gas imaging instrument are leaks subject to repair under subparagraph 57. h)(5).

(3) The protocol does not have to utilize a specific instrument and may be amended to use an alternative leak detection technology, upon WDEQ approval. This protocol shall include a discussion of how parameters such as viewing distance, thermal background,

wind speed, interferences (e.g., steam), and operator training will be taken into account, unless sufficiently addressed by the instrument manufacturer's operating parameters.

(4) The protocol shall include an instrument check on each day that the instrument is used, of which Tallgrass shall maintain records for five (5) years. The instrument check shall ensure that the instrument can effectively detect leaks under the conditions outlined in subparagraph 57.h)(3).

(5) If Respondents detect emissions from a component subject to subpart OOOO with the optical gas imaging instrument, they shall repair the component in accordance with subpart OOOO, unless Respondents first determine, using a Method 21 instrument, that the emissions are not a "leak" that is subject to subpart OOOO repair requirements.

(6) The protocol shall include five (5) year retention requirements for the following records: all emissions imaged during optical gas imaging surveys, instrument checks, a log of the location of identified emissions, timing and efficacy of all repairs, and follow-up evaluations of all repairs.

i) Recordkeeping. Respondents shall keep all records required by this Agreement, including the LDAR third-party audit report, to document compliance with the requirements of this Agreement for at least one year after termination of this Agreement. Upon request by EPA, Respondents shall make all such documents available to EPA and shall provide, in electronic format if so requested, all LDAR monitoring data generated during the life of this Agreement.

j) Status Reports. On the dates and for the time periods set forth in subparagraph 57.j)(3), Respondents shall submit to EPA, in the manner set forth in subparagraph 57.j)(6), the following information:

(1) An identification and description of any non-compliance with the requirements of this Agreement;

(2) Any deviations identified in the QA/QC performed under subparagraph 57.d) as well as any corrective actions taken under subparagraph 57.e)(2).

(3) Commencing January 31 of the year following the Effective Date, Respondents shall submit their status report no later than January 31 of every year, regarding the information required in subparagraphs 57.j)(1) and (2) for the previous twelve-month period. In the event that all compliance requirements expire by the first half of a calendar year, a final compliance status report may be filed by July 31 of the last compliance year.

(4) Respondents shall ensure that the Responsible Official signs each report submitted under this Agreement and makes the following certification:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete as of the date of my signature.

(5) If Respondents learn or have reason to believe that the information submitted in a report was in any material respect inaccurate or incomplete, it shall promptly certify and submit supplementary or corrected information.

(6) Respondents shall submit all reports under this Agreement to EPA as follows:

To: Director

Technical Enforcement Program  
U.S. EPA Region 8 (8ENF-AT)  
1595 Wynkoop Street  
Denver, CO 80202

k) Stipulated Penalties. Respondents will be liable for stipulated penalties to the United States for violations of this Agreement as specified below. A violation includes failing to perform any obligation required by the terms of this Agreement, including any work plan or schedule approved under this Agreement, according to all applicable requirements of this Agreement and within the specified time schedules established by or approved under this Agreement.

(1) If EPA determines that a stipulated penalty should be paid pursuant to this Agreement, it shall make a written demand for stipulated penalty. Respondents shall pay any stipulated penalty within 60 days of receiving EPA's written demand, unless the demand is disputed.

(2) The EPA may in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due under this Agreement.

(3) Stipulated penalties continue to accrue during any dispute resolution, but need not be paid until 30 days after the dispute is resolved.

(4) Respondents shall pay stipulated penalties owing to EPA in the manner set forth and with the confirmation notices required by Attachment A, except that the transmittal letter must state that the payment is for stipulated penalties and must state for which alleged violation(s) the penalties are being paid.

(5) The following stipulated penalties may apply after the Effective Date of this Agreement and before termination of this Agreement:

Violation	Stipulated Penalty	
(a) Each failure to perform any of the requirements relating to QA/QC in subparagraph 57.d).	\$500 per missed requirement per quarter	
(b) Failure to conduct the LDAR audit in accordance with the schedule set forth in subparagraph 57.e).	<i>Period of noncompliance</i>	<i>Penalty per day</i>
	1–15 days	\$150
	16–30 days	\$200
	Over 30 days	\$250
	not to exceed \$50,000	
(c) Failure to use a third party as an auditor; use of a third party auditor that is not experienced in LDAR audits; and use of Respondents' regular LDAR contractor to complete the third party audit, in violation of the requirements of subparagraph 57.e).	\$15,000	
(d) Failure to perform any of the LDAR audit requirements in subparagraph 57.e).	\$10,000 per audit	
(e) Failure to timely submit a Corrective Action Plan that substantially conforms to the requirements of subparagraph 57.e).	<i>Period of noncompliance</i>	<i>Penalty per day</i>
	1–15 days	\$100
	16–30 days	\$250
	Over 30 days	\$500
	not to exceed \$30,000 per audit	
(f) Each failure to implement a corrective action within 90 days after the LDAR audit completion date or pursuant to the schedule that Respondents must propose pursuant to subparagraph 57.e) if the corrective action cannot be completed in 90 days.	<i>Period of noncompliance</i>	<i>Penalty per week</i>
	1–2 weeks	\$500
	2–4 weeks	\$750
	Over 4 weeks	\$1,000
	not to exceed \$50,000 per audit	

(g) Each failure to substantially comply with any recordkeeping or reporting requirement in subparagraphs 57.i) or 57.j).	<i>Period of noncompliance</i>	<i>Penalty per day per violation</i>
	1–15 days	\$100
	16–30 days	\$200
	Over 30 days	\$250
Not to exceed \$40,000 per failure		

(h) For each failure to use a monitoring device that is attached to a data logger (or equivalent instrument) and for each failure, during each monitoring event, to directly electronically record the screening value, date, time, identification number of the monitoring instrument, and the identification of technician, in violation of these requirements of subparagraph 57.g).	\$100 per failure per piece of equipment monitored
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(i) Each failure to transfer monitoring data to an electronic database on at least a weekly basis, in violation of this requirement in subparagraph 57.g).	\$500 per week for each week that the transfer is late
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(j) Each failure to install a Low-E Valve, or a valve fitted with Low-E Packing when required to do so pursuant to subparagraph 57.f).	\$5,000 per failure for the first five valves; 10,000 per failure after that
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(k) Each failure to substantially comply with the Optical Gas Imaging survey requirements of subparagraph 57.h).	\$25,000 per survey
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(l) Each failure to comply with the repair requirements of subparagraph 57.h).	<i>Type of Component</i>	<i>Penalty per day per violation</i>
	Pumps	\$450
	Other Components	\$125
	Not to exceed \$60,000 per pump or \$15,000 per other Component	

(6) The following stipulated penalties may apply after the Effective Date of this Agreement and before the date on which Respondents obtain the permit required pursuant to subparagraph 57.a).

Violation	Stipulated Penalty	
(a) Failure to timely develop a Facility-Wide LDAR Document as required by subparagraph 57.c).	<i>Period of Noncompliance</i>	<i>Penalty per day late</i>
	1–15 days	\$75
	16–30 days	\$100
	Over 30 days	\$125

58. The provisions of this Agreement shall apply to and be binding upon Respondents and their officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns. From the Effective Date of this Agreement until its termination pursuant to Section X, Respondents must give written notice and a copy of this Agreement to any successors in interest prior to any transfer of ownership or control of any portion of or interest in the Casper Compressor Station and Gas Plant. Simultaneously with such notice, Respondents shall provide written notice of such transfer, assignment, or delegation to the EPA. In the event of any such transfer, assignment, or delegation, Respondents shall not be released from the obligations or liabilities of this Agreement unless the EPA has provided written approval of the release of said obligations or liabilities.

59. By signing this Agreement, Respondents acknowledge that this Agreement will be available to the public and agree that this Agreement does not contain any confidential business information or personally identifiable information.

60. By signing this Agreement, the undersigned representative of Complainant and the undersigned representative(s) of Respondents each certify that he or she is fully authorized to execute and enter into the terms and conditions of this Agreement and has the legal capacity to bind the party he or she represents to this Agreement.

61. By signing this Agreement, both parties agree that each party's obligations under this Agreement constitute sufficient consideration for the other party's obligations.



62. By signing this Agreement, Respondents certify that the information it has supplied concerning this matter was, based on information and belief at the time of submission, true, accurate, and complete for each such submission, response, and statement. If Respondents learn after certifying that the information submitted was in any material respect inaccurate or incomplete, they shall promptly submit such supplementary or corrected information. Respondents acknowledge that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.

63. Except as qualified by paragraph 56, each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

## **VII. DISPUTE RESOLUTION**

64. Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures of this Section shall be the exclusive mechanism to resolve disputes arising under or with respect to this Agreement. Respondents' failure to seek resolution of a dispute under this Section shall preclude Respondents from raising any such issue as a defense to an action by EPA to enforce any obligation of Respondents arising under this Agreement.

65. Informal Dispute Resolution. Any dispute subject to Dispute Resolution under this Agreement shall first be the subject of informal negotiations. The dispute shall be considered to have arisen when Respondents send EPA a written Notice of Dispute. Such Notice of Dispute shall state clearly the matter in dispute. The period of informal negotiations shall not exceed sixty (60) days from the date the dispute arises, unless that period is modified by written agreement. If the Parties cannot resolve a dispute by informal negotiations, then the position advanced by EPA shall be considered binding unless, within forty-five (45) days after the

conclusion of the informal negotiation period, Respondents invoke formal dispute resolution procedures as set forth below.

66. Formal Dispute Resolution. Respondents shall invoke formal dispute resolution procedures, within the time period provided in the preceding paragraph, by serving on EPA a written Statement of Position regarding the matter in dispute. The Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting Respondents' position and any supporting documentation relied upon by Respondents.

67. EPA shall serve its Statement of Position within forty-five (45) days of receipt of Respondents' Statement of Position. EPA's Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting that position and any supporting documentation relied upon by EPA. EPA's Statement of Position shall be binding on Respondents, unless Respondents request alternative dispute resolution in accordance with the following paragraph.

68. Respondents may request that EPA coordinate to designate a neutral party for dispute resolution. If the Parties cannot agree on a neutral party, the Respondents may request the Regional Administrator or Regional Judicial Officer appoint a neutral party to proceed with dispute resolution.

69. The invocation of dispute resolution procedures under this Section shall not, by itself, extend, postpone, or affect in any way any obligation of Respondents under this Agreement, unless and until final resolution of the dispute so provides. Stipulated penalties with respect to the disputed matter shall continue to accrue from the first day of noncompliance, but payment shall be stayed pending resolution of the dispute as provided in subparagraph 57.k)(3).

If Respondents do not prevail on the disputed issue, stipulated penalties shall be assessed and paid as provided in subparagraph 57.k) (Stipulated Penalties).

#### **VIII. EFFECT OF AGREEMENT**

70. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this Agreement resolves only Respondents' liability for federal civil penalties for the violations and facts specifically alleged above.

71. Penalties paid pursuant to this Agreement shall not be deductible for purposes of federal taxes.

72. This Agreement constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof.

73. The terms and conditions of this Agreement may not be modified or amended except upon the written agreement of all parties, and approval of the Regional Judicial Officer.

74. Any violation of this Agreement and subsequently issued final order approving this Agreement may result in a civil judicial action for an injunction or civil penalties of up to \$97,229 per day per violation, or both, as provided in section 113(b)(2) of the Act, 42 U.S.C. § 7413(b)(2), as well as criminal sanctions as provided in section 113(c) of the Act, 42 U.S.C. § 7413(c). The EPA may use any information submitted under this Agreement in an administrative, civil judicial, or criminal action.

75. Nothing in this Agreement shall relieve Respondents of the duty to comply with all provisions of the Act and other federal, state, or local laws or statutes applicable to the Facility, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.

76. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondents or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.

77. If and to the extent that the EPA finds, after signing this Agreement, that any information provided by Respondents was materially false or inaccurate at the time such information was provided to the EPA, the EPA reserves any and all of its legal and equitable rights.

**IX. 42 U.S.C. SECTION 162(f)(2)(A)(ii) IDENTIFICATION**

78. For purposes of the identification requirement of Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), performance of subparagraph 57.a–j) is restitution or required to come into compliance with law.

**X. TERMINATION**

79. Upon completion of all conditions in paragraph 57, Respondents shall provide a Statement of Completion along with the final status report described in subparagraph 57.j). The Statement of Completion shall certify that Respondents have completed all conditions pursuant to paragraph 57.

80. After reviewing the Statement of Completion, EPA shall provide a Confirmation of Termination or notify Respondents of outstanding compliance items within 90 days of receiving the Statement of Completion.

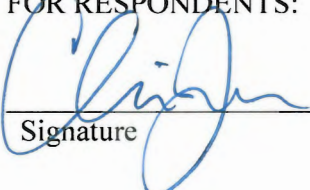
**XI. EFFECTIVE DATE**

81. Respondents and Complainant agree to issuance of a final order approving this Agreement. Upon filing, the EPA will transmit a copy of the filed Agreement to the Respondents. This Agreement and subsequently issued final order shall become effective after

execution of the Final Order by the Regional Judicial Officer, on the date of filing with the Hearing Clerk.

The foregoing Combined Complaint and Consent Agreement In the Matter of Tallgrass Midstream, LLC and Tallgrass Interstate Gas Transmission, LLC, is Hereby Stipulated, Agreed, and Approved.

FOR RESPONDENTS:

 \_\_\_\_\_  
Signature


\_\_\_\_\_ 2/7/19 \_\_\_\_\_  
Date

Printed Name: Chris Jones

Title: Executive Vice President, General Counsel and Secretary, Tallgrass Midstream, LLC

Address: 4200 West 115<sup>th</sup> Street, Suite 250, Leawood, KS 66211

Tallgrass Midstream LLC's Federal Tax Identification Number: 20-2069785

 \_\_\_\_\_  
Signature

\_\_\_\_\_ 2/7/19 \_\_\_\_\_  
Date

Printed Name: Chris Jones

Title: Executive Vice President, General Counsel and Secretary, Tallgrass Midstream, LLC Tallgrass Interstate Gas Transmission, LLC

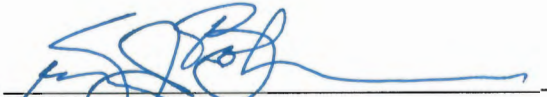
Address: 4200 West 115<sup>th</sup> Street, Suite 250, Leawood, KS 66211

Tallgrass Interstate Gas Transmission, LLC's Federal Tax Identification Number: 84-1533963

The foregoing Combined Complaint and Consent Agreement In the Matter of Tallgrass Midstream, LLC and Tallgrass Interstate Gas Transmission, LLC, is Hereby Stipulated, Agreed, and Approved.

FOR COMPLAINANT:

2/12/19  
DATE

  
Suzanne J. Bohan  
Assistant Regional Administrator  
Office of Enforcement, Compliance, and  
Environmental Justice

**Attachment A – Payment Instructions**  
**In the Matter of Tallgrass Midstream, LLC and Tallgrass Interstate Gas Transmission, LLC, Respondents**

1. Payment shall be made by one of the following methods. The payment shall be made by remitting a check or making a wire transfer or online payment. The check or other payment shall designate the name and docket number of this case, be in the amount stated above, and be payable to “Treasurer, United States of America.” The payment shall be sent as follows:

**If sent by regular U.S. mail:**

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

**If sent by any commercial carrier or signed receipt confirmation:**

U.S. Environmental Protection Agency  
Government Lockbox 979077  
1005 Convention Plaza  
SL-MO-C2-GL  
St. Louis, Missouri 63101

**If sent by wire transfer:** Wire transfers must indicate the name and docket number of this case and be sent directly to the Federal Reserve Bank in New York City with the following information:

Federal Reserve Bank of New York  
ABA: 021030004  
Account Number: 68010727  
SWIFT Address: FRNYUS33  
33 Liberty Street  
New York, New York 10045  
Beneficiary: U.S. Environmental Protection Agency

**Automated Clearing House (ACH) for receiving U.S. currency:**

U.S. Treasury REX / Cashlink ACH Receiver  
ABA: 051036706  
Account Number: 310006, Environmental Protection Agency  
CTX Format Transaction Code 22 – checking



Physical location of U.S. Treasury facility:  
5700 Rivertech Court  
Riverdale, Maryland 20737

U.S. Treasury Contact Information:  
REX (Remittance Express): 866-234-5681

**Online debit and credit card payment:**

[www.Pay.gov](http://www.Pay.gov)  
Enter "sfo 1.1" in the form search box. Open form and complete required fields.

2. In the event payment is not received by the specified due date, interest accrues from thirty (30) days prior to the applicable due date, at a rate established by the Secretary of Treasury pursuant to 31 U.S.C. § 3717, and will continue to accrue until payment in full is received.

3. A handling charge of fifteen dollars (\$15) shall be assessed the thirty-first (31st) day from the due date of any payment, and for each subsequent thirty (30) day period that the debt, or any portion thereof, remains unpaid. In addition, a six percent (6%) per annum penalty shall be assessed on any unpaid principal amount if payment is not received within ninety (90) days of the due date. Payments are first applied to outstanding handling charges, six (6%) percent penalty interest, and late interest. The remainder is then applied to the outstanding principal amount.

**CERTIFICATE OF SERVICE**

The undersigned certifies that the original of the attached **COMBINED COMPLAINT AND CONSENT AGREEMENT and FINAL ORDER** in the matter of **TALLGRASS MIDSTREAM, LLC; and TALLGRASS INTERSTATE GAS TRANSMISSION, LLC; DOCKET NO.: CAA-08-2019-0002** was filed with the Regional Hearing Clerk on February 21, 2019.

Further, the undersigned certifies that a true and correct copy of the documents were emailed to, Jessica Portmess, Enforcement Attorney. True and correct copies of the aforementioned documents were placed in the United States mail certified/return receipt on February 21, 2019, to:

Respondent

Tallgrass Midstream, LLC  
Tallgrass Interstate Gas Transmission, LLC  
370 Van Gordon Street  
Lakewood, Colorado 80228

Olivia B. Lucas  
Faegre Baker Daniels, LLP  
1470 Walnut Street, Suite 300  
Boulder, Colorado 80302

And emailed to:

Jessica Chalifoux  
U. S. Environmental Protection Agency  
Cincinnati Finance Center  
26 W. Martin Luther King Drive (MS-0002)  
Cincinnati, Ohio 45268

February 21, 2019



Melissa Haniewicz  
Regional Hearing Clerk