

October 10, 2002

AR-18J

Don Smith, Supervisor
North/South District-Major Facilities
Air Quality Division
Minnesota Pollution Control Agency
520 Lafayette Road North
Saint Paul, Minnesota 55155-4194

RE: Prevention of Significant Deterioration (PSD) Applicability
Determination Request from Williams Pipeline L.L.C.

Dear Mr. Smith:

As you may know, our office received an applicability determination request dated August 6, 2002, from Williams Pipeline L.L.C. (Williams) concerning the company's gasoline/fuel terminal located in Mankato, Minnesota. A copy of this letter is enclosed. Williams requested whether the U.S. Environmental Protection Agency (EPA) categorizes the Mankato facility's operations as being covered by one of the 28 source categories listed under the prevention of significant deterioration (PSD) regulations at 40 CFR 52.21 subject to the 100 tons per year (tpy) major source threshold for air pollutants. Williams contends that its facility is not covered by one of the 28 source categories and therefore that its facility should be subject to the 250 tpy major source threshold instead. Williams requested an interpretation of this issue in writing.

The PSD permitting program for the State of Minnesota is delegated to the State and administered by the Minnesota Pollution Control Agency (MPCA). In this capacity, the MPCA implements the applicable regulations and guidance under the Federal PSD program. Additionally, states often have similar PSD regulations of their own or interpretations of their regulations which are equal to or more stringent than the federal regulations and interpretations. Sources in those states must meet under state law the more stringent of the two. Regarding applicability determinations, our office normally only responds to requests from states to clarify the application of the Federal regulations on specific issue. Determinations requested by sources often require local, facility specific knowledge of a facility's operations, and the states usually have better information on sources under their jurisdiction than we have.

It is our understanding that the MPCA determined under its PSD program that the Williams Pipeline L.L.C. Mankato facility is covered by one of the 28 source categories under PSD regulations (specifically, petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels) and is subject to the 100 tpy major source threshold. If MPCA wishes to receive EPA's determination with respect to the Federal PSD program on this matter, MPCA may submit a determination request to EPA, and we will research the issue and respond. Until such time, EPA defers to MPCA's interpretation of its PSD program as it applies to the Williams' facility.

We hope that the information outlined in this letter is useful to you. If you have any questions regarding this letter, feel free to contact Shaheerah Fateen at (312) 886-9402.

Sincerely yours,

/s/

Robert Miller, Chief
Permits and Grants Section

Enclosure

cc: Bruce Braaten
Minnesota Pollution Control Agency

Terri Hollomon
Williams Pipeline L.L.C.