

Response to Comments For Title V Permit to Operate Permit No. V-LL-2706100011-09-02

The U.S. Environmental Protection Agency issued on July 23, 2009 a draft Title V operating permit for Great Lakes Gas Transmission Limited Partnership (Great Lakes Gas), Compressor Station #4 located at 31641 Great Lakes Road, Deer River, Minnesota, on which EPA sought public comment pursuant to 40 C.F.R. Part 71. The comment period ended on August 24, 2009. EPA received timely written comments from Great Lakes Gas. This document summarizes the comments and provides EPA's response to the comments.

1. Public Notice - first paragraph - This facility does not produce electricity as stated in the first paragraph but is strictly a natural gas transmission facility. Please delete the sentence that starts, "The electricity produced..."

EPA Response: We confirmed that the permit record (the statement of basis and the draft permit) correctly describe the Deer River facility. The documents that were subject to public notice are not drafted incorrectly, therefore, EPA does not need to correct the record.

2. Page 6 of 23 of draft permit — Section 2.0(B)1. — Please remove the two requirements related to nitrogen content and keep the original requirement from the existing permit. EPA has determined that nitrogen monitoring can be waived for pipeline quality natural gas, since there is no fuel-bound nitrogen and since the free nitrogen does not contribute appreciably to NO_x emissions.

EPA Response: The commenter has not demonstrated that the requirements in Section 2.0(B)(1) are not applicable. Furthermore, the listed nitrogen monitoring requirements are only triggered if the permittee "claims an allowance for fuel bound nitrogen" as clearly stated in 2.0(B)(1)(i).

3. Page 6 of 23 of draft permit - Section 2.0(B)3.i. - Great Lakes is requesting modification of the phrase "on or about the anniversary date of the initial compliance test" to the following: "to conduct compliance testing within 12 months of permit issuance." Great Lakes is making this request because the most recent MPCA approved stack test was conducted at CS 4 in March 2005. This means that TransCanada would have to conduct the test soon after permit issuance (approximately - March 2010). Because TransCanada has over 100 compressor stations that require testing, we must plan tests as far in advance as possible to maintain necessary operations. Our request would provide us with the flexibility required to do this. In addition, it is not necessary as a matter of compliance to plan stack tests on anniversary dates. MPCA modified the requirements for air emission inventories allowing for use of emission factors from MPCA-approved stack testing

to be utilized for a period of up to ten years. Therefore allowing for flexibility in scheduling stack tests would not raise compliance issues.

EPA Response: EPA agrees to Great Lakes' request to modify the phrase "on or about the anniversary date of the initial compliance test" to "to conduct compliance testing within 12 months of permit issuance." EPA is further requiring that Great Lakes conduct compliance tests every five year thereafter. EPA does not expect that the additional few months requested by Great Lakes to complete its testing will compromise the environment unduly given that the natural gas used in Deer River has little variation in its makeup and Great Lakes is required to maintain the turbines.

4. Page 9 of 23 of draft permit - Section 2.0(C)1.iii & 2.i - Please remove this requirement. According to 40 C.F.R. § 60.334(h)(3)(i), sulfur analysis is not required because Great Lakes fulfills this requirement through the Company's current Federal Energy Regulatory Commission (FERC) Tariff.

EPA Response: EPA has revised Section 2.0(C)(1)(iii) of the final permit to:

- iv. The tariff listing the maximum sulfur content allowed

and removed section 2.0(C)(2)(i) of the draft permit from the final permit.

5. Page 13 of 23 of draft permit - Section 4.0(B)2. - Please remove the wording "3 months from the issuance of this permit." The anniversary date of the initial fee calculation work sheet is November 15. As in the original permit, the "November 15" date should be retained.

EPA Response: Section 4.0(B)2 of the final permit has be changed to reflect the requirements of 40 C.F.R. § 71.9(h):

The Permittee shall submit an annual report of its actual emissions for the preceding calendar year, a fee calculation work sheet (based on the report), and full payment of the annual fee each year. The Permittee shall submit the annual report and pay the annual permit fee each year on or before the anniversary date of its initial fee calculation work sheet (November 15).

The Permittee shall submit the annual report to:

**Air Permits Section (AR-18J)
Air and Radiation Division
EPA Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604**