

Air Quality Permit

Issued To: NorthWestern Energy
Cobb Storage Field, Station 017
40 East Broadway
Butte, MT 59701

Permit #2783-08
Administrative Amendment (AA)
Request Received: 2/07/08
Department's Decision on AA: 4/01/08
Permit Final: 4/17/08
AFS#: 035-0009

An air quality permit, with conditions, is hereby granted to NorthWestern Energy (NorthWestern) pursuant to Sections 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8. 740, *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

NorthWestern owns and operates a natural gas compressor station and associated equipment located in the Northwest ¼ of the Northwest ¼ of Section 15, Township 35 North, Range 5 West in Glacier County, Montana. The facility is known as the Cobb Storage Field, Station 017 (or Station W). A complete list of the permitted equipment can be found in Section I.A of the Permit Analysis.

B. Current Permit Action

On February 7, 2008, the Department of Environmental Quality (Department) received a request from NorthWestern to change the name on Permit #2783-07 from NorthWestern Corporation to NorthWestern. The current permit action incorporates the requested name change as well as updates the permit format and language to reflect the Department's current permit format and language.

Section II: Conditions and Limitations

A. Emission Limitations

1. Emissions from each of the three 1,400 horsepower (Hp) Solar Saturn turbines shall not exceed the following (ARM 17.8.752):

Oxides of Nitrogen (NO _x) ¹	9.26 pounds per hour (lb/hr)
Carbon Monoxide (CO)	9.26 lb/hr
Volatile Organic Compounds (VOC)	0.86 lb/hr

2. Emissions from each of the two 1,450-Hp Solar Saturn turbines shall not exceed the following (ARM 17.8.752):

NO _x ¹	9.26 lb/hr
CO	9.26 lb/hr
VOC	0.86 lb/hr

¹ NO_x reported as NO₂.

3. Emissions from the 1,100-Hp White Superior compressor engine shall not exceed the following (ARM 17.8.749):

NO _x ¹	36.46 lb/hr
CO	7.28 lb/hr
VOC	1.21 lb/hr

4. The combined total hours of operation of the five Solar Saturn turbines (three 1,400-Hp and two 1,450-Hp) shall be limited to a maximum of 24,000 hours during any rolling 12-month period (ARM 17.8.749).
5. The combined total hours of operation of the two 300-Hp Ingersoll Rand compressor engines shall be limited to a maximum of 9,600 hours during any rolling 12-month period (ARM 17.8.749).
6. The total hours of operation of the 1,100-Hp White Superior compressor engine shall be limited to a maximum of 4,800 hours during any rolling 12-month period (ARM 17.8.749).
7. NorthWestern shall only compress and combust pipeline quality natural gas (ARM 17.8.749).
8. NorthWestern shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed on or before November 23, 1968, that exhibit an opacity of 40% or greater averaged over 6 consecutive minutes (ARM 17.8.304).
9. NorthWestern shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304).
10. NorthWestern shall not cause or authorize emissions to be discharged into the atmosphere from haul roads, access roads, parking lots, or the general plant property without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).
11. NorthWestern shall treat all unpaved portions of the access roads, parking lots, and general plant area with water and/or chemical dust suppressant, as necessary, to maintain compliance with the reasonable precautions limitation in Section II.A.10 (ARM 17.8.749).

B. Testing Requirements

1. All compliance source tests shall be conducted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
2. The Department may require testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. NorthWestern shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in the emission inventory contained in the permit analysis.

For reporting purposes, the sources shall be identified using the source numbers contained in Section I.A of the Permit Analysis.

Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units required by the Department. This information may be used to calculate operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).

2. NorthWestern shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745, that would include a change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).
3. All records compiled in accordance with this permit must be maintained by NorthWestern as a permanent business record for at least 5 years following the date of the measurement, must be available at the plant site for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).
4. NorthWestern shall document, by month, the total hours of operation of the five Solar Saturn turbines (three 1,400-Hp and two 1,450-Hp). By the 25th day of each month, NorthWestern shall total the total hours of operation of the five Solar Saturn turbines (three 1,400-Hp and two 1,450-Hp) for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation in Section II.A.4. The information for each of the previous months shall be submitted along with the annual emission inventory (ARM 17.8.749).
5. NorthWestern shall document, by month, the total hours of operation of the two 300-Hp Ingersoll Rand engines. By the 25th day of each month, NorthWestern shall total the total hours of operation of the two 300-Hp Ingersoll Rand engines for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation in Section II.A.5. The information for each of the previous months shall be submitted along with the annual emission inventory (ARM 17.8.749).
6. NorthWestern shall document, by month, the hours of operation of the 1100-Hp White Superior engine. By the 25th day of each month, NorthWestern shall total the hours of operation of the 1100-Hp White Superior engine for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation in Section II.A.6. The information for each of the previous months shall be submitted along with the annual emission inventory (ARM 17.8.749).

Section III: General Conditions

- A. Inspection – NorthWestern shall allow the Department’s representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver – The permit and the terms, conditions, and matters stated herein shall be deemed accepted if NorthWestern fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving NorthWestern of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, et seq. (ARM 17.8.756).
- D. Enforcement – Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties, or other enforcement action as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals – Any person or persons jointly or severally adversely affected by the Department’s decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department’s decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department’s decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department’s decision on the application is final 16 days after the Department’s decision is made.
- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by the Department at the location of the source.
- G. Permit Fee – Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by NorthWestern may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.

Permit Analysis
NorthWestern Energy
Permit #2783-08

I. Introduction/Process Description

A. Permitted Equipment

NorthWestern Energy (NorthWestern) owns and operates a natural gas compressor station and associated equipment located in the Northwest ¼ of the Northwest ¼ of Section 15, Township 35 North, Range 5 West in Glacier County, Montana. The facility is known as the Cobb Storage Field, Station 017 (or Station W). The facility includes, but is not limited to, the following equipment:

Source #	Title V I.D. #	Northwestern Internal I.D.	Year Installed	Make	Model	Size
01	EU01	Engine #01	1948	Ingersoll Rand	8-XVG	300-Hp
02	EU02	Engine #02	1948	Ingersoll Rand	8-XVG	300-Hp
03	EU03	Engine #03	1965	Solar	Saturn	1,400-Hp
04	EU04	Engine #04	1969	Solar	Saturn	1,400-Hp
05	EU05	Engine #05	1979	White Superior	8GTL/MW62	1,100-Hp
06	EU06	Engine #06	1994	Solar	Saturn	1,400-Hp
07	EU07	Engine #07	2000	Solar	Saturn	1,450-Hp
08	EU08	Engine #08	2000	Solar	Saturn	1,450-Hp
09	IEU01	Standby Reboiler	-----	BS & B	-----	0.5 MMBtu/hr
10	IEU02	Boiler	-----	Teledyne-Laars	-----	0.85 MMBtu/hr
11	IEU03	Reboiler	1994	Enertek	3486	0.6 MMBtu/hr
12	IEU04	Building Heaters	-----	-----	-----	< 1 MMBtu/hr
13	IEU05	Process Valves	-----	-----	-----	-----
14	IEU06	In Plant Traffic	-----	-----	-----	-----
15	IEU07	Emergency Generator	2001	Onan Cummins	100GGHD	158-Hp
16	IEU08	Methanol Tank	-----	-----	-----	1,000-gallon
17	EU09	Dehydrator Tanks (2)	-----	-----	-----	1,000/500 gallon
18	EU10	Dehydrator Vent	-----	-----	-----	-----

- Horsepower – Hp
- Million British thermal unit per hour – MMBtu/hr

B. Source Description

The complex has two primary purposes. The first is to pump the field gas up to the required pressure in the natural gas transmission system. Compression of the gas is accomplished using the compressor engines and the turbines described above. Three engine heaters provide heat to the various station facilities.

The second purpose of the complex is to "dry" the gas as it is being processed. The gas contains some moisture, which must be removed from the system prior to being sent into the transmission system. This is accomplished with a dehydrator, also commonly called a reboiler or glycol unit.

Pipeline quality natural gas is injected into the Cobb Storage Field during low use periods, primarily the summer. The gas is retrieved from storage during high use periods, primarily the winter. During storage, the gas takes in some moisture and other material from the geologic formation. When the gas is retrieved, moisture and impurities are removed and the gas is brought up to pipeline pressure before being pumped into the main line for market.

In preparation for storage, natural gas is piped from NorthWestern's Main Line #1 Station to the Cobb Storage Field Station where it is sent through a "scrubber." In the scrubber, water and other liquid constituents (e.g. heavy ends, butane, C5+) drop out of the gas stream. The scrubbed gas is then injected into the formation for storage.

When consumer demand is great enough, natural gas is retrieved from storage. From the formation, the gas is routed through a scrubber to remove water and other liquid constituents that have been taken up during storage. The gas is then compressed to a pressure ranging from 550 to 650 pounds per square inch (psi) using natural gas fired engine or turbine driven compressors. The Cobb Storage Field Station uses both reciprocating internal combustion engines (RICE) and combustion turbines (CT) for compression activities.

After the gas has been compressed, it is dehydrated by a triethylene glycol (TEG) dehydrator. In the dehydrator, wet gas flows through two contactor towers where it bubbles through a "lean" TEG solution that absorbs moisture. The wet, or "rich" TEG flows from the towers to either a 0.5-million British thermal unit per hour (MMBtu/hr) reboiler or a 0.6-MMBtu/hr reboiler. Typically, the 0.5-MMBtu/hr reboiler is used as a backup to the 0.6-MMBtu/hr reboiler. Whichever reboiler is in use, the TEG is heated to approximately 300 to 350 degrees Fahrenheit (°F), driving off the water and making the glycol "lean" again.

Each reboiler is associated with a condenser/storage tank that receives vapors from the reboiler, or still vent. As these vapors leave the reboiler, they condense in the piping and tank and produce a mixture of water and natural gas liquids. This process mitigates potential atmospheric emissions.

C. Permit History

On July 21, 1993, the Department of Environmental Quality (Department) issued **Permit #2783-00** to Montana Power Company (MPC) for the operation of their compressor station and associated equipment located in the Northwest ¼ of the Northwest ¼ of Section 15, Township 35 North, Range 5 West in Glacier County, near Cut Bank, Montana. The station was identified as the Cobb Storage Field, Station 017-1 through 6.

On February 9, 1994, the Department issued **Permit #2783-01** to MPC. This modification revised the emission limitations from a gram per brake horsepower-hour (g/Bhp-hr) limit to a pound per hour (lb/hr) limit. In addition, to clarify nitrogen oxides (NO_x) mass emission calculations, NO_x emission limitations were identified as nitrogen dioxide (NO₂). Furthermore, a 90-day testing extension was granted to MPC. Permit #2783-01 replaced Permit #2783-00.

On September 16, 1994, the Department issued **Permit #2783-02** to MPC. This permit action increased the capacity on two of the Solar Saturn turbines (units #3 and #4) from 1100-Horsepower (Hp) to 1400-Hp and added a third 1,400-Hp Solar Saturn turbine (unit #6). In addition, the 1,100-Hp White Superior carbon monoxide (CO) mass emission rates were increased to 7.28 lb/hr. The increase was necessary because the previous CO limits were based on manufacturer data under specific, ideal conditions that are not consistently present at the Cobb Storage Field. The Cobb Storage Field operations were also limited to 6,132 hours per year (hr/yr) in order to limit the facility's potential emissions below the Prevention of Significant Deterioration (PSD) thresholds. Also, the Rite Leating 0.76-MMBtu/hr boiler was replaced with a Teledyne-Laars 0.85-MMBtu/hr boiler. Permit #2783-02 replaced Permit #2783-01.

On July 24, 1997, the Department issued **Permit #2783-03** to MPC. This permit action included 40 CFR 60, Subpart GG as a condition of the permit because it was determined to be applicable to the facility. The modification contained exemptions from the monitoring requirements of 40 CFR 60, Subpart GG based on the requirement of MPC to compress and combust only pipeline quality natural gas at the Cobb Storage station. The modification also updated the rule references in the permit. Permit #2783-03 replaced Permit #2783-02.

On August 28, 1997, the Department issued **Permit #2783-04** to MPC. MPC requested that the permit be modified to correctly identify the two 240-Hp Ingersoll Rand engines as 300-Hp Ingersoll Rand engines. The original application and permit had identified the engines as 240-Hp engines. MPC discovered the mistake and requested that the permit be modified to reflect the correct engine size. Permit #2783-04 replaced Permit #2783-03.

On July 23, 2000, the Department issued **Permit #2783-05** to MPC. MPC had requested an alteration to Permit #2783-04 that included the installation of two new 1,400-Hp Solar Saturn turbine compressors. MPC requested a limitation on all of the compressors at the site to stay below the threshold that would require a PSD permit. Separate limitations were assigned to each of the three different types of compressors. Also, the Department reviewed the applicability of 40 CFR 60, Subpart GG and determined that Subpart GG is not applicable to this facility. As a result of the determination, the limitation of 150 part per million (ppm) on the 1,400-Hp compressors and the monitoring requirements were removed from the permit. Permit #2783-05 replaced Permit #2783-04.

On November 23, 2002, the Department issued **Permit #2783-06** to NorthWestern. The Department received a letter on October 18, 2002, dated October 15, 2002, from NorthWestern informing the Department that the name change from MPC to NorthWestern was complete. NorthWestern requested that the Department modify the permit to reflect the name change. In addition, NorthWestern requested that the Department modify the permit analysis to be consistent with the equipment, equipment size, and equipment descriptions for the operating permit. In addition, NorthWestern requested that the Department modify the permit to correctly identify the two Solar Saturn turbines that were permitted in July 2000, as 1,450-Hp. Permit Application #2783-05 and Permit #2783-05 incorrectly identified the two Solar Saturn turbines as 1,400-Hp. Permit #2783-06 incorporated NorthWestern's requests into the permit. Permit #2783-06 replaced Permit #2783-05.

On October 30, 2003, the Department received an administrative amendment request from NorthWestern for Permit #2783-06. NorthWestern requested that the every 4-year testing requirements for each of the two 1,450- Hp Solar Saturn turbines and each of the three 1,400-Hp Solar Saturn turbines be removed from the permit because NorthWestern's Title V Operating Permit #OP2783-02, as issued as final on September 16, 2003, requires at least annual testing on each of the five turbines.

The current permit action removes the every 4-year testing requirements for each of the five turbines from the permit. In addition, the permit format, language, and rule references were updated to reflect the Department's current permit format, language, and rule references. **Permit #2783-07** replaced Permit #2783-06.

D. Current Permit Action

On February 7, 2008, the Department received a request from NorthWestern to change the name on Permit #2783-07 from NorthWestern Corporation to NorthWestern. The current permit action incorporates the requested name change as well as updates the permit format and language to reflect the Department's current permit format and language. **Permit #2783-08** replaces Permit #2783-07.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the Administrative Rules of Montana (ARM) and are available, upon request, from the Department. Upon request, the Department will provide references for the location of complete copies of all applicable rules or regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 - General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule includes a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment including instruments and sensing devices, and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

NorthWestern shall comply with requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation, or to continue for a period greater than 4 hours.
5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means which, without resulting in reduction in the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant which would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner that a public nuisance is created.

B. ARM 17.8, Subchapter 2 - Ambient Air Quality, including, but not limited to:

1. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
2. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
3. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
4. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
5. ARM 17.8.222 Ambient Air Quality Standard for Lead
6. ARM 17.8.223 Ambient Air Quality Standard for PM₁₀

NorthWestern must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 - Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. (1) This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed on or before November 23, 1968, that exhibit an opacity of 40% or greater averaged over 6 consecutive minutes. (2) This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. Under this rule, NorthWestern shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow or permit to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.
4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow or permit to be discharged into the atmosphere particulate matter in excess of the amount set forth in this rule.

5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. (4) Commencing July 1, 1971, no person shall burn liquid or solid fuels containing sulfur in excess of 1 pound of sulfur per million Btu fired. (5) Commencing July 1, 1971, no person shall burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel calculated as hydrogen sulfide at standard conditions. NorthWestern will burn natural gas in the fuel burning equipment, which will meet this limitation.
6. ARM 17.8.340 Standard of Performance for New Stationary Sources. The owner and operator of any stationary source or modification, as defined and applied in 40 CFR Part 60, shall comply with the standards and provisions of 40 CFR Part 60. Subpart GG (Standards of Performance for Stationary Gas Turbines) does not apply to the turbines at this facility because the turbines are less than 10.7 GJ/hr. Also, Subpart KKK (Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants) is not applicable to this facility.
7. ARM 17.8.342 ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR Part 63, shall comply with the requirements of 40 CFR Part 63, as applicable, including the following subparts:
 - Subpart HH – National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities.
 - Subpart HHH – National Emission Standards for Hazardous Air Pollutants From Natural Gas Transmission and Storage Facilities
 - Subpart ZZZZ – National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines.

Based on the information submitted by NorthWestern, the facility is not subject to the provisions of 40 CFR 63 Subparts HHH and ZZZZ, because the facility is not a major source of HAPs. NorthWestern is, however, considered an area source of HAPs, and therefore, subject to 40 CFR 63, Subpart HH. For area sources, the affected source includes each glycol dehydration unit. Because the glycol dehydration unit emits less than 1 ton per year (TPY) of benzene, however, it is exempt from the control requirements listed in 40 CFR 63, Subpart HH. Records of the determinations applicable to this exemption must be maintained as required in 40 CFR 63.774(d)(1).

- D. ARM 17.8, Subchapter 5 - Air Quality Permit Application, Operation and Open Burning Fees, including, but not limited to:
1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. The current permit action is considered an administrative action; therefore, a permit application fee was not required.
 2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit, excluding an open burning permit, issued by the Department. This operation fee is based on the

actual or estimated amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions which pro-rate the required fee amount.

- E. ARM 17.8, Subchapter 7 - Permit, Construction and Operation of Air Contaminant Sources, including, but not limited to:
1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
 2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter or use any air contaminant sources that have the Potential to Emit (PTE) greater than 25 tons per year of any pollutant. NorthWestern has a PTE greater than 25 tons per year of NO_x, CO, and VOC; therefore, an air quality permit is required.
 3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.
 4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
 5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, alteration or use of a source. NorthWestern was not required to submit a permit application for the current permit action because it is an administrative action. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. NorthWestern was not required to notify the public of the current permit action because it is an administrative action.
 6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
 7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The BACT analysis is discussed in Section III of this permit analysis.

8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
 9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving NorthWestern of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
 10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.
 11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
 12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
 13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
 14. ARM 17.8.765 Transfer of Permit. This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.
- F. ARM 17.8, Subchapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:
1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
 2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications -- Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and

any major modification, with respect to each pollutant subject to regulation under FCAA that it would emit, except as this subchapter would otherwise allow.

This facility is not a major stationary source since this facility is not a listed source and the facility's PTE is less than 250 tons per year of any pollutant (excluding fugitive emissions).

G. ARM 17.8, Subchapter 12 – Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any source having:
 - a. PTE > 100 tons/year of any pollutant;
 - b. PTE > 10 tons/year of any one HAP, PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule;
 - c. PTE > 70 tons/year of PM₁₀ in a serious PM₁₀ nonattainment area.
2. ARM 17.8.1204 Air Quality Operating Permit Program. (1) Title V of the FCAA amendments of 1990 requires that all sources, as defined in ARM 17.8.1204(1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #2783-08 for NorthWestern, the following conclusions were made:
 - a. The facility's PTE is greater than 100 tons/year for NO_x and CO.
 - b. The facility's PTE is less than 10 tons/year for any one HAP and less than 25 tons per year of all HAPs.
 - c. This source is not located in a serious PM₁₀ nonattainment area.
 - d. This facility is not subject to any current NSPS.
 - e. This facility is subject to a current NESHAP standards (considered an area source subject to 40 CFR 63, Subpart HH).
 - f. This source is not a Title IV affected source, nor a solid waste combustion unit.
 - g. This source is not an EPA designated Title V source.

Based on these facts, the Department determined that NorthWestern is subject to the Title V Operating Permit Program. NorthWestern's Title V Operating Permit OP2783-02 was issued final and effective on September 16, 2003.

III. BACT Determination

A BACT determination is required for each new or altered source. NorthWestern shall install on the new or altered source the maximum air pollution control capability, which is technically practicable and economically feasible, except that BACT shall be utilized. However, a BACT analysis was not required for the current permit action because new sources are not being added

to the facility and emissions from the facility are not increasing. The current permit action is considered an administrative action.

IV. Emission Inventory

Source #	Source	TPY				
		PM ₁₀	NO _x	CO	VOC	SO _x
01	300-Hp Ingesoll Rand Engine	0.05	13.90	22.78	0.19	0.00
02	300-Hp Ingesoll Rand Engine	0.05	13.90	22.78	0.19	0.00
03	1,400-Hp Solar Saturn Turbine	0.19	22.22	22.22	2.06	0.10
04	1,400-Hp Solar Saturn Turbine	0.19	22.22	22.22	2.06	0.10
05	1,100-Hp White Superior Engine	0.22	87.50	17.47	2.90	0.01
06	1,400-Hp Solar Saturn Turbine	0.19	22.22	22.22	2.06	0.10
07	1,450-Hp Solar Saturn Turbine	0.19	22.22	22.22	2.06	0.10
08	1,450-Hp Solar Saturn Turbine	0.19	22.22	22.22	2.06	0.10
09	BS & B Reboiler	0.00	0.01	0.01	0.00	0.00
10	Teledyne-Laars Boiler	0.03	0.37	0.31	0.02	0.00
11	Enertek Reboiler	0.02	0.26	0.22	0.01	0.00
12	Building Heaters	0.03	0.44	0.37	0.02	0.00
13	Process Valves (Fugitive)	0.00	0.00	0.00	1.97	0.00
14	In Plant Vehicle Traffic	1.23	0.00	0.00	0.00	0.00
15	Onan Cummins Emergency Generator	0.00	0.60	1.73	0.08	0.00
16	1,000-gallon Methanol Tank	0.00	0.00	0.00	0.00	0.00
17	1,000/500-gallon Dehydrator Tanks (2)	0.00	0.00	0.00	19.60	0.00
18	Dehydrator Still Vent	0.00	0.00	0.00	9.19	0.00
Totals		2.58	228.08	176.77	44.47	0.51

- A complete emission inventory is on file with the Department.

V. Existing Air Quality

The existing air quality of the area is expected to be in compliance with all state and federal requirements. Previously, Northwestern (as MPC) conducted ambient air quality modeling for all compressor stations in and near Glacier, Toole, Liberty, and Pondera Counties using two EPA guideline models (ISC2 and COMPLEX). The meteorological data used was taken from the Great Falls Airport National Weather Service station. The modeling submitted assumed approximately 255.1 TPY of NO_x and 255.1 TPY of CO. This modeling did not show violations of the annual or hourly ambient standards. The modeling analysis demonstrated that this facility would not cause or contribute to a violation or exceedance of any state or federal ambient standard. In addition, because the current NO_x and CO emissions are below the NO_x and CO emissions assumed for the modeling, the Department expects this facility to continue to operate in compliance with all applicable ambient air quality standards.

VI. Taking or Damaging Implication Analysis

As required by 2-10- 105, MCA, the Department conducted a private property taking and damaging assessment and determined there are no taking or damaging implications.

VII. Environmental Assessment

The current permit action is considered an administrative action and will not result in an increase of emissions from the facility; therefore, an Environmental Assessment is not required.

Analysis Prepared By: Trista Glazier
Date: March 5, 2008