



Montana Department of
ENVIRONMENTAL **Q**UALITY

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March 4, 2014

Ross Whelchel
Havre Pipeline Company, LLC, a Texas Limited Liability Company
40 E. Broadway
Butte, MT 59701

Dear Mr. Whelchel:

Montana Air Quality Permit #1627-08 is deemed final as of March 4, 2014, by the Department of Environmental Quality (Department). This permit is for a natural gas compressor station. All conditions of the Department's Decision remain the same. Enclosed is a copy of your permit with the final date indicated.

For the Department,

Julie A. Merkel
Air Permitting Supervisor
Air Resources Management Bureau
(406) 444-3626

Rhonda Payne
Environmental Science Specialist
Air Resources Management Bureau
(406) 444-5287

JM:RP
Enclosure

Montana Department of Environmental Quality
Permitting and Compliance Division

Montana Air Quality Permit #1627-08

Havre Pipeline Company, a Texas Limited Liability Company
1627-08
40 East Broadway
Butte, MT 59601

March 4, 2014



MONTANA AIR QUALITY PERMIT

Issued To: Havre Pipeline Company, LLC,
a Texas Limited Liability Company
Hill County #1 Compressor Station
c/o 40 E. Broadway
Butte, MT 59701

MAQP: #1627-08
Administrative Amendment (AA)
Request Received: 1/31/14
Department Decision on AA: 2/14/14
Permit Final: 3/4/2014
AFS #: 041-0002

An air quality permit, with conditions, is hereby granted to Havre Pipeline Company, LLC, a Texas Limited Liability Company (HPC) – Hill County #1 Compressor Station, 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

Permit #1627-08 is issued for the operation of the Hill County #1 Compressor Station located in the NW¹/₄ of the SW¹/₄ of Section 18, Township 31 North, Range 16 East of Hill County, Montana. A listing of the permitted equipment is contained in Section I.A of the permit analysis.

B. Current Permit Action

On January 31, 2014, the Department of Environmental Quality – Air Resources Management Bureau (Department) received correspondence from Devon Energy Production Company, L.P (Devon) and HPC as notification of a transfer of ownership from Devon to HPC. The current permit action reflects this change in company name and address, the MAQP to reflect current Department format, rule references, and language.

SECTION II: Conditions and Limitations

A. Emission Limitations

1. The 625-horsepower (hp) Caterpillar G398 TALE natural gas compressor engine (source #01) shall be equipped with a “low-emissions” package and shall operate as a lean-burn engine. The engine speed shall not exceed 1,200 revolutions per minute (rpm) of continuous duty operation. Emissions from the compressor engine shall not exceed the following limits (ARM 17.8.752):

Oxides of Nitrogen (NO _x ¹) =	2.76 lb/hr
Carbon Monoxide (CO) =	4.13 lb/hr
Volatile Organic Compounds (VOC) =	0.34 lb/hr

2. The 1,478-hp Waukesha 7042GL natural gas compressor engine (source #02) shall be equipped with a "low-emission" package and shall operate as a lean-burn engine. Emissions from the Waukesha engine shall not exceed the following limits (ARM 17.8.744 and ARM 17.8.749):

¹ NO_x reported as NO₂.

NO_x¹ = 6.52 lbs/hr
CO = 9.78 lbs/hr
VOC = 3.26 lbs/hr

3. HPC shall operate all equipment to provide the maximum air pollution control for which it was designed (ARM 17.8.749).
4. HPC 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).
5. HPC 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 (ARM 17.8.308).
6. HPC shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.4 (ARM 17.8.749).

B. Testing Requirements

1. HPC shall test the 625-hp Caterpillar G398 TALE compressor engine for NO_x and CO, concurrently, and demonstrate compliance with the NO_x and CO emission limits contained in Section II.A.1 on an every-4-year basis or according to another testing/monitoring schedule as may be approved by the Department (ARM 17.8.105 and ARM 17.8.749).
2. HPC shall test the 1,478-hp Waukesha 7042GL compressor engine for NO_x and CO, concurrently, and demonstrate compliance with the NO_x and CO emission limits contained in Section II.A.1 on an every 4-year basis or according to another testing/monitoring schedule as may be approved by the Department (ARM 17.8.105 and ARM 17.8.749).
3. During source tests, HPC shall monitor the compressor engine; intake manifold temperature and pressure, exhaust temperature, rpm, and all parameters necessary to calculate hp. This data shall be submitted to the Department with the source test report (ARM 17.8.105).
4. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
5. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. HPC 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. 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. HPC shall submit the following information annually to the Department by March 1 of each year; the information may be submitted along with the annual emission inventory (ARM 17.8.505).

- a. Amount of fuel consumed by each compressor engine (corrected to 14.7 pounds per square inch absolute (psia) and 60⁰ Fahrenheit (F));
 - b. Hours of operation for each compressor engine;
 - c. Amount of fuel consumed by 1.0 million British thermal units per hour (MMBtu/hr) heating boiler (corrected to 14.7 psia and 60⁰F); and
 - d. The hours of operation for the dehydration unit.
2. HPC 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 HPC 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).

SECTION III: General Conditions

- A. Inspection – HPC 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 HPC fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving HPC 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 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 HPC may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Duration of Permit – Construction or installation must begin or contractual obligations entered into that would constitute substantial loss within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall be revoked (ARM 17.8.762)

Montana Air Quality Permit (MAQP) Analysis
Havre Pipeline Company, LLC, a Texas Limited Liability Company
MAQP #1627-08

I. Introduction/Process Description

Havre Pipeline Company, LLC, a Texas Limited Liability Company (HPC) owns and operates a natural gas compressor station located in the NW¼ of the SW¼ of Section 18, Township 31 North, Range 16 East of Hill County, Montana. The facility is known as the Hill County #1 Compressor Station.

A. Permitted Equipment

The facility consists of the following equipment and materials:

1. Source #1: 625-horsepower (hp) Caterpillar G398 TALE lean-burn compressor engine;
2. Source #2: 1,478-hp Waukesha 7042GL lean-burn compressor engine;
3. Source #3: PESCO Tri-Ethylene Glycol (TEG) dehydrator with an uncontrolled still vent;
4. Source #4: Gas-fired heating boiler (1.0 million British thermal units per hour (MMbtu/hr));
5. Source #5: Gas-fired space heater (0.2 MMbtu/hr);
6. Source #6: (2) 2,000-gallon methanol storage tanks; and

Miscellaneous fugitive volatile organic compounds (VOC) sources such as: storage tanks for methanol, gasoline, diesel, antifreeze, TEG and lube oil, scrubbers, headers, meters, and other insignificant emitting units.

B. Source Description

The Hill County #1 Compressor Station utilizes the two lean-burn compressor engines to gather, compress, and transmit natural gas through a natural gas pipeline. The facility is located approximately 8 miles south of Havre and 8 miles north of the Rocky Boy Indian Reservation on 10 rural acres that are fenced to restrict access. HPC personnel routinely monitor the unoccupied station.

C. Permit History

On October 26, 1981, Northern Natural Gas Company (NNGC) was issued a permit to operate an existing natural gas compressor station, located in the NW¼ of the SW¼ of Section 18, Township 31 North, Range 16 East of Hill County near Havre, Montana. The application was given **Montana Air Quality Permit (MAQP) #1627-00**.

Effective January 1, 1992, pursuant to the Administrative Rules of Montana (ARM) 16.8.1903, the Air Quality Bureau began assessing annual air quality operation fees for all sources holding, or required to hold, an air quality permit. **MAQP #1627-01** was issued on February 7, 1993 to properly identify the permitted equipment.

HPC acquired the Hill County #1 Compressor from the NNGC on September 30, 1995. On June 22, 1996, **MAQP #1627-02** was issued to HPC. This permit acknowledged the change of ownership of the Hill County #1 Compressor Station and included the replacement of the 1,465-hp White Superior 8GTLA compressor engine with the 625-hp Caterpillar G398 TALE natural gas compressor engine. Other insignificant emitting units, including space heaters, boilers, scrubbers, headers, meters, and coolers, were also installed during this project.

On September 15, 1998, the Department of Environmental Quality – Air Resources Management Bureau (Department) received a request to alter MAQP #1627-02. The request was to add a 1998 Waukesha natural gas "low-emission" compressor engine (1,478-hp) and a 1998 PESCO Tri-Ethylene Glycol dehydration unit. Rule references were also updated. **MAQP #1627-03** replaced MAQP #1627-02.

On June 3, 1999, the Department received notification that UMC Petroleum Corp had merged with Ocean Energy, Inc. The permit ownership was changed to reflect that the HPC, Hill County #1 Compressor Station would operate as a subsidiary of Ocean Energy, Inc. On June 27, 1999, **MAQP #1627-04** replaced MAQP #1627-03.

In 1999, the U.S. Environmental Protection Agency (EPA) informed the Department that any condition in an air quality preconstruction permit would be considered a federally enforceable condition. However, there are certain state rules that were never intended to be federally enforceable. The Department notified all facilities holding preconstruction permits that they could request deletion of those conditions based on the ARM 17.8.717 and 17.8.315. Removing either of these conditions does not relieve the facility from complying with the rule upon which the permit condition was based; removal only ensures that enforcement of that condition remains with the Department. This permit action removed the condition based on ARM 17.8.315 from HPC's permit. **MAQP #1627-05** replaced MAQP #1627-04.

On August 23, 2004, the Department received a request to change the corporate name on MAQP #1627-05 from HPC to Devon-Louisiana Corporation. The Department changed the corporate name on MAQP #1627-05 from HPC to Devon-Louisiana Corporation, and updated the permit to reflect current permit language and rule references used by the Department. **MAQP #1627-06** replaced MAQP #1627-05.

On March 13, 2006, the Department received a request to change the corporate name on MAQP #1627-06 from Devon-Louisiana Corporation to Devon Energy Production Company, L.P. (Devon). The Department changed the corporate name on MAQP#1627-07 as requested. **MAQP #1627-07** replaced MAQP #1627-06.

D. Current Permit Action

On January 16, 2014 and January 31, 2014, the Department received correspondence from Devon and HPC as notification of a transfer of ownership from Devon to HPC. The current permit action reflects this change in company name as well as updates the MAQP to reflect current Department format, rule and references, and language. **MAQP #1627-08** replaces MAQP #1627-07.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) 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 ARM and are available, upon request, from the Department. Upon request, the Department will provide references for location of complete copies of all applicable rules and 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).

HPC shall comply with the 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 that, without resulting in reduction of the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

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

1. ARM 17.8.204 Ambient Air Monitoring
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
5. ARM 17.8.213 Ambient Air Quality Standards for Ozone
6. ARM 17.8.214 Ambient Air Quality Standards for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standards for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standards for Visibility
9. ARM 17.8.222 Ambient Air Quality Standards for Lead
10. ARM 17.8.223 Ambient Air Quality Standards for PM₁₀

HPC 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. This rule requires that no person may cause or authorize emissions to be discharged into the 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. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, HPC 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, 1972, 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. HPC will burn pipeline quality natural gas in the compressor engine, which will meet this limitation.
6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank is equipped with a vapor loss control device as described in (1) of this rule.
7. ARM 17.8.340 Standard of Performance for New Stationary Sources and Emission Guidelines for Existing Sources. This rule incorporates, by reference, 40 Code of Federal Regulations (CFR) 60, Standards of Performance for New Stationary Sources (NSPS). This facility is not an NSPS affected source because it does not meet the definition of any NSPS subpart defined in 40 CFR 60. HPC is not an NSPS affected source because it does not meet the definition of a natural gas processing plant defined in 40 CFR 60, Subpart KKK.
8. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. This rule incorporates, by reference, 40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants (NESHAPs) for Source Categories. Based on the information submitted by HPC the engine(s) associated with MAQP #2923-07 are subject to NESHAP (40 CFR 63), as follows:

40 CFR 63, Subpart A – General Provisions apply to all equipment or facilities subject to an NESHAP Subpart as listed below:

- Subpart ZZZZ – National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines. An owner or operator of a stationary reciprocating internal combustion engine (RICE) at a major or area source of HAP

emissions is subject to this rule except if the stationary RICE is being tested at a stationary RICE test cell/stand. An area source of HAP emissions is a source that is not a major source. As HPC is considered an area source of HAP emissions and operates RICE equipment the engine(s) are potentially subject to this subpart.

- D. ARM 17.8, Subchapter 4 – Stack Height and Dispersion Techniques, including, but not limited to:
1. ARM 17.8.401 Definitions. This rule includes a list of definitions used in this chapter, unless indicated otherwise in a specific subchapter.
 2. ARM 17.8.402 Requirements. HPC must demonstrate compliance with the ambient air quality standards with a stack height that does not exceed Good Engineering Practices (GEP). The height of the stack for HPC is below the allowable 65-meter GEP stack height.
- E. 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 amendment; therefore, a permit 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. The air quality operation fee is based on the actual or estimated actual 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 that prorate the required fee amount.
- F. 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. HPC has a PTE greater than 25 tons per year of carbon monoxide (CO); 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. HPC was not required to submit a permit application because the current permit action is considered an administrative amendment. (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. HPC was not required to submit a public notice because the current permit action is considered an administrative amendment.
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 required BACT analysis is included 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 HPC 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.

G. 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 the 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 below 250 tons per year of any pollutant (excluding fugitive emissions).

H. 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 HAP, PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule; or
 - c. PTE > 70 tons/year of particulate matter with an aerodynamic diameter of 10 microns or less (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 #1627-08 for HPC, the following conclusions were made.
 - a. The facility's PTE is less than 100 tons/year for any pollutant.
 - b. The facility's PTE is less than 10 tons/year for any one HAP and less than 25 tons/year for 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 current NESHAP standards (40 CFR 63, Subpart ZZZZ).
- 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 HPC is a minor source of emissions as defined under Title V. However, if minor sources subject to NSPS are required to obtain a Title V Operating Permit, HPC will be required to obtain a Title V Operating Permit.

III. BACT Determination

A BACT determination is required for each new or altered source. HPC 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.

A BACT analysis was not required for the current permit action because the current permit action is considered an administrative permit action.

IV. Emission Inventory

<u>Emission Unit</u>	Air Pollutants (tons/year)				
	<u>PM₁₀</u>	<u>NO_x</u>	<u>VOC</u>	<u>CO</u>	<u>SO_x</u>
#01 625-hp Caterpillar G398 TALE Compressor Engine	0.21	12.07	1.51	18.11	0.013
#02 1,478-hp Waukesha 7042 GL Compressor Engine	0.52	28.55	14.27	42.82	0.031
#03 TEG Dehydrator	0.002	0.033	0.002	0.007	0.000
#04 1.0 MMBtu/hr Natural Gas Fired Boiler	0.01	0.44	0.02	0.09	0.003
#05 0.2 MMBtu/hr Natural Gas Fired Space Heater	0.00	0.09	0.00	0.02	0.000
#06 Misc. Fugitive VOC Sources	na	na	5.21	na	na
#07 <u>TEG Dehydrator Still Vent</u>	<u>na</u>	<u>na</u>	<u>6.61</u>	<u>na</u>	<u>na</u>
Total Emissions	0.74	41.18	27.62	61.05	0.047

A complete emission inventory is on file with the Department.

V. Existing Air Quality

The Hill County #1 Compressor Station is located in the NW¼ of the SW¼ of Section 18, Township 31 North, Range 16 East of Hill County, Montana. Hill County is unclassifiable/attainment for the National Ambient Air Quality Standards (NAAQS) for all criteria pollutants.

VI. Ambient Air Impact Analysis

The current permit action is an administrative permitting action with no associated increase in potential emissions. Therefore, the Department did not conduct an ambient air impact analysis. MAQP #1627-08 has limits and conditions that are designed to be protective of all ambient air quality standards.

VII. Taking or Damaging Implication Analysis

As required by 2-10-105, MCA, the Department conducted the following private property taking and damaging assessment:

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	X	4. Does the action deprive the owner of all economically viable uses of the property?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property? (consider economic impact, investment-backed expectations, character of government action)
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally?
	X	7a. Is the impact of government action direct, peculiar, and significant?
	X	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	X	7c. Has government action lowered property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?
	X	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b; the shaded areas)

VIII. Environmental Assessment

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

Analysis Prepared By: Rhonda Payne

Date: February 6, 2014