



**Montana Department of
ENVIRONMENTAL QUALITY**

Brian Schweitzer, Governor

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May 3, 2011

Mr. Scott Fradenburgh
Williston Basin Interstate Pipeline Company
Cabin Creek Compressor Station
2010 Montana Avenue
Glendive, Montana 59330

Dear Mr. Frandeburgh:

Montana Air Quality Permit #2484-05 is deemed final as of May 3, 2011, by the Department of Environmental Quality (Department). This permit is for Williston Basin Interstate Pipeline Company's Cabin Creek 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,

Vickie Walsh
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-9741

Ed Warner
Environmental Engineer
Air Resources Management Bureau
(406) 444-2467

VW:EW
Enclosure

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
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FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Cabin Creek Compressor Station
Williston Basin Interstate Pipeline Company
2010 Montana Avenue
Glendive, MT 59330

Montana Air Quality Permit Number: 2484-05

Preliminary Determination Issued: 3/28/2011

Department Decision Issued: 4/15/2011

Permit Final: 5/3/2011

1. *Legal Description of Site:* WBI – Cabin Creek is located in the SE¹/₄ of the SE¹/₄ of Section 16, Township 10 North, Range 58 East, Fallon County, Montana. The mailing address for the facility is 2010 Montana Avenue, Glendive, MT 59330. The physical address of the facility is 1661 Cabin Creek Road, Baker, MT 59313.
2. *Description of Project:* WBI – Cabin Creek plans to remove five (5) existing compressor engines from the facility (Units #4 through #8) and replace them with a single Caterpillar G3606LE natural gas-fired four stroke lean burn compressor engine (Unit #17). This unit has a maximum design rating of 1775 hp but will have a maximum site rating of 1714 hp. This engine would use lean burn technology to minimize NO_x emissions and an oxidation catalyst to control CO and VOC emissions. Also included in this project would be an upgrade in the facility heating system involving the removal of a 0.819 MMBtu/hr, a 0.770 MMBtu/hr, and a 1.18 MMBtu/hr natural gas boiler and replacing them with two new 1.5 MMBtu/hr natural gas boilers.
3. *Objectives of Project:* The objectives of this project are to install and operate equipment for natural gas transmission and to upgrade the heating and air systems at the facility.
4. *Alternatives Considered:* In addition to the proposed action, the Department also considered the “no-action” alternative. The “no-action” alternative would deny issuance of the air quality preconstruction permit to the proposed facility. However, the Department does not consider the “no-action” alternative to be appropriate because WBI – Cabin Creek demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the “no-action” alternative was eliminated from further consideration.
5. *A Listing of Mitigation, Stipulations, and Other Controls:* A list of enforceable conditions, including a BACT analysis, would be included in MAQP #2484-05.
6. *Regulatory Effects on Private Property:* The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and do not unduly restrict private property rights.

7. The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Terrestrial and Aquatic Life and Habitats			X			Yes
B	Water Quality, Quantity, and Distribution			X			Yes
C	Geology and Soil Quality, Stability and Moisture			X			Yes
D	Vegetation Cover, Quantity, and Quality			X			Yes
E	Aesthetics				X		Yes
F	Air Quality			X			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources			X			Yes
H	Demands on Environmental Resource of Water, Air and Energy			X			Yes
I	Historical and Archaeological Sites				X		Yes
J	Cumulative and Secondary Impacts			X			Yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS: The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats

Emissions from the proposed project would affect terrestrial and aquatic life and habits in the proposed project area. WBI - Cabin Creek would operate the new equipment within an existing industrial location with less than one acre of ground disturbance to the area expected to be required for the project. While the new units would be sources of air emissions, the project would result in an overall net decrease in nearly all criteria pollutants from the facility. Overall, any impact to the terrestrial and aquatic life and habits of the proposed project area would be minor.

B. Water Quality, Quantity and Distribution

The proposed project would have a minor affect on water quality and distribution because there would be unaltered hydrostatic test water discharged on site. No potential impacts to wetlands or changes in the drainage patterns at the proposed site would be expected.

C. Geology and Soil Quality, Stability and Moisture

The proposed project would have a minor impact on the geology, soil quality, stability, and moisture of the proposed project area. WBI - Cabin Creek would operate the new equipment within an existing industrial location with less than one acre of ground disturbance to the area expected to be required for the project. The existing compressor station is located entirely on Havre loams which consist of poorly-drained soils. Since the proposed equipment would be located entirely within the existing facility boundary, no effect to the productivity of the soil would be expected.

D. Vegetation Cover, Quantity, and Quality

Emissions from the proposed project would impact vegetation cover, quantity, and quality in the proposed project area. However, as detailed in Section V and VI of the permit analysis any emissions and resulting impacts from the project would be minor. While the new units would

be sources of air emissions, the project would result in an overall net decrease in nearly all criteria pollutants from the facility. WBI - Cabin Creek would operate the new equipment within an existing industrial location with less than one acre of ground disturbance to the area expected to be required for the project. Overall, any impact to the vegetation cover, quantity, and quality of the proposed project area would be minor.

E. Aesthetics

The proposed project would not result in any impact on the aesthetic nature of the proposed project area because the proposed equipment would operate within an existing facility and perform the same functions as the previous equipment. Further, visible emissions from the sources would be limited to 20% opacity by conditions of MAQP #2484-05.

F. Air Quality

The proposed new units would be sources of air pollutant emissions to the ambient air. However, the project would result in an overall net decrease in nearly all criteria pollutants from the facility. Permit conditions in MAQP #2484-05 would require the use of lean burn combustion technology and an oxidation catalyst on the proposed engine to minimize the air pollutant emissions. Overall, the impact to air quality from the proposed project would be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The proposed project would affect unique, endangered, fragile, or limited environmental resources located in the proposed project area because the new units would be sources of air pollutant emissions. However, the project would result in an overall net decrease in nearly all criteria pollutants from the facility. The proposed equipment would operate within an existing facility and perform the same functions as the previous equipment. Less than one acre of ground disturbance would be expected during construction for the project and would occur within the existing facility boundaries. Therefore, any impact to the unique, endangered, fragile, or limited environmental resources in the proposed project area would be minor.

H. Demands on Environmental Resource of Water, Air and Energy

The proposed project would result in minor demands on environmental resources of water and air as discussed in Section 7.B and 7.F of this EA, respectively. Further, as detailed in Section V and VI of the permit analysis, project impacts on air resources in the proposed project area would be minor due to limits that would be included in MAQP #2484-05, good dispersion characteristics of the proposed project area, and the low concentration of those pollutants emitted. Finally, because the project is small by industrial standards, little energy would be required for operation and the resulting impact on energy resources would be minor.

I. Historical and Archaeological Sites

The proposed project would not result in any impact to historical and archaeological sites in the proposed project area. WBI - Cabin Creek would operate the proposed new units within the existing facility boundaries and the ground disturbance from construction would be less than one acre and also contained within the existing facility boundary.

According to previous correspondence from the Montana State Historic Preservation Office, there is low likelihood of any disturbance to any known archaeological or historic site, given the previous industrial disturbance within the area. Therefore, the operation would have no impact on any known historic or archaeological site that may be located within or near the proposed operating site.

J. Cumulative and Secondary Impacts

Overall, the cumulative and secondary impacts from this project on the physical and biological environment in the immediate area would be minor due to the relatively low amounts of emissions from the proposed new units. WBI – Cabin Creek has previously demonstrated through air dispersion modeling that the permitted facility would maintain compliance with all applicable ambient air quality standards. These standards are designed to be protective of the physical and biological environment. The current proposed project would result in an overall net decrease in nearly all criteria pollutants from the facility since the time of that air dispersion modeling demonstration. Therefore, the Department does not expect that operations would lead to anything but potential minor cumulative impacts to the physical and biological environment. The Department believes that this facility could be expected to operate in compliance with all applicable rules, regulations, and standards as outlined in MAQP #2484-05.

8. *The following table summarizes the potential economic and social effects of the proposed project on the human environment. The “no-action” alternative was discussed previously.*

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Social Structures and Mores				X		Yes
B	Cultural Uniqueness and Diversity				X		Yes
C	Local and State Tax Base and Tax Revenue			X			Yes
D	Agricultural or Industrial Production				X		Yes
E	Human Health			X			Yes
F	Access to and Quality of Recreational and Wilderness Activities				X		Yes
G	Quantity and Distribution of Employment				X		Yes
H	Distribution of Population				X		Yes
I	Demands for Government Services			X			Yes
J	Industrial and Commercial Activity			X			Yes
K	Locally Adopted Environmental Plans and Goals				X		Yes
L	Cumulative and Secondary Impacts			X			Yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores

The proposed project would not have any effect on the social structures or mores of the proposed area of operation. Operations would take place within the existing facility boundary and the ground disturbance from construction activities would also be contained within the existing facility boundary. The predominant use of the surrounding area would not change as a result of the proposed project; thus, there would be no impact to the social structure of the area.

B. Cultural Uniqueness and Diversity

The proposed project would not have any effect on cultural uniqueness and diversity of the proposed area of operation. Operations would continue to take place within the existing facility boundary and the ground disturbance from construction activities would also be contained within the existing facility boundary. The predominant use of the surrounding area would not change as a result of the proposed project; thus there would be no impact to the cultural uniqueness and diversity of the area.

C. Local and State Tax Base and Tax Revenue

The proposed project would have a minor affect on the local and state tax base and tax revenue. The project is small by industrial standards and operations would take place within the existing facility boundary. The project would not require any new employees at WBI – Cabin Creek; however, there would be some construction activity required which may generate additional tax revenue from the purchase of related equipment and supplies.

D. Agricultural or Industrial Production

The proposed project would not have any effect on agricultural or industrial production. Operations would take place within the existing facility boundary and the ground disturbance from construction activities would also be contained within the existing facility boundary. The predominant use of the surrounding area would not change as a result of the proposed project and there would be no change in the industrial activities at the facility. Therefore, there would be no impact to agricultural or industrial production.

E. Human Health

The proposed project would involve the installation of sources air pollutant emissions. However, the project would result in an overall net decrease in nearly all criteria pollutants from the facility. WBI – Cabin Creek would be required to operate in compliance with MAQP #2484-05 which would contain conditions that would be protective of human health. Any health impacts resulting from the proposed project would be minor.

F. Access to and Quality of Recreational and Wilderness Activities

The proposed project would take place within the existing facility boundary, no affects to the access to and quality of recreational and wilderness activities would be expected.

G. Quantity and Distribution of Employment

The proposed project would not require WBI – Cabin Creek to hire any new employees; therefore, there would be no impact to the local quantity and distribution of employment.

H. Distribution of Population

The proposed project would not require the relocation of any new employees; therefore, there would be no impact to the distribution of population.

I. Demands for Government Services

Government services would be required for acquiring the appropriate permits from government agencies. In addition, the permitted source of emissions would be subject to periodic inspections by government personnel. Demands for government services would be minor.

J. Industrial and Commercial Activity

The proposed project would have a minor affect on industrial and commercial activity because it would require some construction to complete which may increase the local industrial and commercial activity.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans or goals in the immediate area affected by the proposed project. The state standards would be protective of the proposed project area.

L. Cumulative and Secondary Impacts

Overall, cumulative and secondary impacts from this project would result in minor impacts to the economic and social environment in the immediate area due to the relatively small size of the project. The proposed project would likely result in minor changes in production from the facility but would not result in any local increase in industrial production outside of the permitted facility. In addition, the local population and employment base would not change as a result of the proposed project; therefore, no cumulative or secondary economic or other social impacts would be expected to occur as a result of the static population structure. The Department believes that this facility could be expected to operate in compliance with all applicable rules and regulations as would be outlined in MAQP #2484-05.

Recommendation: No Environmental Impact Statement (EIS) is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permitting action is for the installation and operation of a 1775 hp Caterpillar G3606LE natural gas compressor engine and two 1.5 MMBtu/hr natural gas-fired boilers. The project would also include the removal of five existing natural gas-fired compressor engines and three existing natural gas-fired boilers. MAQP #2484-05 includes conditions and limitations to ensure the facility would operate in compliance with all applicable rules and regulations. In addition, there are no significant impacts associated with this proposal.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

Individuals or groups contributing to this EA: Department of Environmental Quality – Air Resources Management Bureau, Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

EA prepared by: Ed Warner

Date: March 11, 2011