Montana Department of
ENVIRONMENTAL QUALITY
Steve Bullock, Governor
Tracy Stone-Manning, Director
P. O. Box 200901 Helena, MT 59620-0901 (406) 444-2544 Website: www.deq.mt.gov

PRELIMINARY DETERMINATION
ON PERMIT APPLICATION

Date of Mailing: April 30, 2013

Name of Applicant: WBI Energy Transmission, Inc.
Source: Saco Compressor Station

Proposed Action: The Department of Environmental Quality (Department) proposes to issue a permit, with conditions, to the above-named applicant. The application was assigned Permit Application Number 2822-06.

Proposed Conditions: See attached.

Public Comment: Any member of the public desiring to comment must submit such comments in writing to the Air Resources Management Bureau (Bureau) of the Department at the above address. Comments may address the Department's analysis and determination, or the information submitted in the application. In order to be considered, comments on this Preliminary Determination are due by May 15, 2013. Copies of the application and the Department's analysis may be inspected at the Bureau's office in Helena. For more information, you may contact the Department.

Departmental Action: The Department intends to make a decision on the application after expiration of the Public Comment period described above. A copy of the decision may be obtained at the above address. The permit shall become final on the date stated in the Department's Decision on this permit, unless an appeal is filed with the Board of Environmental Review (Board).

Procedures for Appeal: Any person jointly or severally adversely affected by the final action may request a hearing before the Board. Any appeal must be filed by the date stated in the Department's Decision on this permit. The request for a hearing shall contain an affidavit setting forth the grounds for the request. Any hearing will be held under the provisions of the Montana Administrative Procedures Act. Submit requests for a hearing in triplicate to: Chairman, Board of Environmental Review, P.O. Box 200901, Helena, MT 59620.

For the Department,

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

Craig Henrikson, P.E.
Environmental Engineer
Air Resources Management Bureau
(406) 444-6711

JM:CH
Enclosure

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901, Helena, MT 59620
(406) 444-3490

DRAFT ENVIRONMENTAL ASSESSMENT (EA)

Issued To*:* ***WBI Energy Transmission Inc. .***
2010 Montana Avenue
Glendive, MT 59330

Montana Air Quality Permit Number: ***2822-06***

Preliminary Determination Issued: ***04/30/2013***
Department Decision Issued:
Permit Final:

1. *Legal Description of Site*: WBI Energy Transmission Inc. (WBI) submitted an application to relocate an existing triethylene glycol (TEG) dehydration system from the South Baker Compressor Station to the Saco Compressor Station. The location of the facility is NE¼ of the SW¼ of Section 13, Township 31 North, Range 34 East, near Saco, in Valley County, Montana.

2. *Description of Project*: The permit application is for replacing the existing dry bed dehydration system with a dehydration system relocated from an existing compressor station. The TEG system will remove water from the natural gas stream and in the process will produce a small increase in VOC and HAP emissions. The new emitting units associated with the equipment include a 0.75 MMBtu/hr reboiler and a TEG dehydration still vent and flash tank being relocated from the South Baker Compressor station. The permit language allows concurrent operation for a short period of time until the relocated equipment has been successfully started up.

3. *Objectives of Project*: The object of the project would be to remove moisture from the existing natural gas compressor facility. The issuance of MAQP #2822-06 would allow WBI to operate the permitted equipment the existing Saco Compressor Station.

4. *Alternatives Considered*: In addition to the proposed action, the Department considered the "no-action" alternative. The "no-action" alternative would deny issuance of the MAQP to the proposed facility. However, the Department does not consider the "no-action" alternative to be appropriate because permitting WBI's equipment in a de minimis fashion should facilitate 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 listing of the enforceable permit conditions and a permit analysis, including a Best Available Control Technology (BACT) analysis, is included in this permit action.

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 the permit conditions would be reasonably necessary to ensure compliance with applicable requirements and to demonstrate compliance with those requirements and would 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

The operation of the compressor station with the TEG dehydration system would have minor impacts upon the terrestrial and aquatic life and habitats in areas where the facility may operate. Although air pollutant deposition would occur in the areas where the equipment would operate, the size and nature of the operation, dispersion characteristics of pollutants, and conditions placed in MAQP #2822-06 would result in minor impacts as the site is an existing compressor station. Therefore, the operation of the equipment would present minor impacts on terrestrial and aquatic life is present in the area of potential operation.

B. Water Quality, Quantity, and Distribution

Although there would be an increase in air emissions in the area where the Saco Compressor station is located, there would only be minor impacts on water quality, quantity, and distribution because of the nature, size, operational requirements, and conditions placed in MAQP #2822-06 for the facility. Further, as described in Section 7.F. of this EA, the Department determined that any impacts from deposition of pollutants would be minor. In addition, any accidental spills or leaks from equipment would be required to be handled according to the appropriate environmental regulations in an effort to minimize any potential adverse impact on the immediate and surrounding area. Overall, the operation of the equipment would have minor impacts to water quality, quantity, and distribution in the area of operations.

C. Geology and Soil Quality, Stability, and Moisture

As a result of the operation of the existing compressor station, there would be minor impacts to the geology and soil quality, stability, and moisture near the equipment's operational area

because of the deposition of pollutants from the facility. As explained in Section 7.F. of this EA, the facility's size, operational requirements, nature of the operation at the existing facility, and conditions placed in MAQP #2822-06 would minimize the impacts from deposition.

D. Vegetation Cover, Quantity, and Quality

The operation of the TEG dehydration equipment would result in no impacts to the vegetative cover, quantity, and quality because the proposed operation would be located in an existing fenced area. As explained in Section 7.F. of this EA, the Department determined that, due to the nature of the operation, conditions placed in MAQP #2822-06, and dispersion characteristics of the emissions, any impacts from deposition would not be expected.

E. Aesthetics

MAQP #2822-06 would include conditions to control emissions from the equipment and the surrounding work area. The proposed project site is within a previous facility boundary and therefore no aesthetic change would occur.

F. Air Quality

Air quality impacts from the proposed TEG dehydration system would be minor because emissions increases from the facility would be small. Dispersion and deposition of pollutants would occur from the operation of the new equipment; however, the Department determined that any air quality impacts from the pollutants would be minor due to dispersion characteristics (from factors such as wind speed and wind direction) and conditions placed in MAQP #2822-06.

MAQP #2822-06 would include conditions limiting opacity from the facility and would require that reasonable precautions be taken to control emissions from haul roads, access roads, parking lots, or the general work area. In addition, the permit would also limit total emissions from the facility and any additional equipment operated at the same site to 250 tons per year or less. Further, because the facility has more than 100 tons per year of potential emissions, the Department determined that other conditions to minimize air quality impacts may be included in the Title V operating permit.

G. Unique Endangered, Fragile, or Limited Environmental Resources

In an effort to identify species of special concern that may be present in the proposed areas of operation, the Department contacted the Montana Natural Heritage Program (MNHP) for a review of species of special concern. Three animal species of concern were identified within the area where the facility is located. These include the Greater Sage Grouse, Baird’s Sparrow and Iowa Darter. A single plant species was also identified as a species of concern; the Hot Spring Phacelia. Issuance of this permit would increase emissions to the atmosphere near the existing facility. However, as explained in Section 7.F. of this EA, because of the nature of the facility, and conditions placed in MAQP #2822-06, any impacts to unique endangered, fragile, or limited environmental resources from the deposition of pollutants would not be expected given the location of the proposed facility on the existing compressor station site.

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

Water would be used on particulate emissions at haul roads, access roads, parking lots, or the general plant property, as necessary, to control dust resulting from the facility. The new equipment would consume energy from land-line power at the site. Therefore, any impacts on the demands of the environmental resources of water, air, and energy would be minor.

I. Historical and Archaeological Sites

According to correspondence with the Montana State Historic Preservation Office (SHPO), there have been no previously recorded sites in the vicinity of the proposed site location. Given the proposed site is an existing compressor station no impact to historical or archaeological sites would occur. Therefore, it is unlikely that the project would affect any historic or archaeological site and no resulting impacts would be expected.

J. Cumulative and Secondary Impacts

The operation of the facility would not likely cause any minor effects to the physical and biological environment because the facility is located within an existing compressor station and it is associated with a minor increase in emissions.

The facility operations would be limited by MAQP #2822-06 to total emissions of 250 tons/year or less from non-fugitive facility operations and any other additional equipment used at any given site.

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 operation of the facility would not likely alter or disrupt any local lifestyles or communities (social structures and mores) in the area of operation because the operation is located within an existing compressor station boundary.

B. Cultural Uniqueness and Diversity

The operation of the proposed equipment would have no impact on the cultural uniqueness and diversity because the equipment operations would be at a site which is an existing compressor station.

C. Local and State Tax Base and Tax Revenue

The proposed operation of the TEG dehydration equipment at the facility would have no affect on local and state tax base and tax revenue as the operation is very small in size.

D. Agricultural or Industrial Production

No impact on agricultural or industrial production would occur as the proposed site for the TEG dehydration equipment would be located within the existing compressor station boundary.

E. Human Health

MAQP #2822-06 would incorporate conditions to ensure that the facility would be operated in compliance with all applicable rules and standards. These rules and standards are designed to be protective of human health. As described in Section 7.F. of this EA, the Department determined that any impacts from deposition of pollutants would be minor due to dispersion characteristics and conditions placed in MAQP #2822-06. The air emissions from this facility would be minimized.

F. Access to and Quality of Recreational and Wilderness Activities

The proposed TEG dehydration equipment would be located within the existing compressor station property, and therefore would not impact access to recreational and wilderness activities.

G. Quantity and Distribution of Employment

Given the site is existing, it is not expected that the activities from the addition of the TEG dehydration equipment at the facility would significantly affect the quantity and distribution of employment in any given area. Existing personnel would be expected to operate the proposed equipment with no new employees needed except with the installation and startup activities.

H. Distribution of Population

Given the overall capacity of the system would not change, it is not expected that the activities from the proposed addition of TEG dehydration equipment at the facility would disrupt the normal population distribution of any given area. No secondary activities are identified to move to the current proposed area as a result of the current project.

I. Demands of Government Services

Government services may be required for acquiring the appropriate permits and ensuring compliance with the permits that are issued; however, the government services required would be minor.

J. Industrial and Commercial Activity

The operation of the proposed equipment at the existing facility would represent only a temporary increase in the activity related to construction and installation of the proposed equipment. No additional industrial or commercial activities are identified from the operation of the TEG dehydration equipment at the facility and secondary activities are not expected from the facility. Therefore, no industrial and commercial activity resulting from the current permit action would be expected.

K. Locally Adopted Environmental Plans and Goals

The Department is unaware of any locally adopted environmental plans or goals at any given site that the facility may be operated at under MAQP #2822-06. The conditions identified in MAQP #2822-06 would apply to operation of the facility at the Saco Compressor Station site only.

L. Cumulative and Secondary Impacts

Overall, the cumulative and secondary social and economic impacts from this project would be minor because facility is already existing and considered a small sized operation by industrial standards. No new businesses are expected to be drawn to the area as a result of the county run operation. In addition, any social and economic impacts that are created would be minor because of the relatively small size and nature of the operation.

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

If an EIS is not required, explain why the EA is an appropriate level of analysis: Because this proposed modification does not increase the capacity of the existing compressor station, any impacts created would be minor impacts.

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.*

EA Prepared by: Craig Henrikson
Date: April 15, 2013