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Paul R. Tourangeau, Director
Air Pollution Control Division
Colorado Department of Public Health and Environment
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

Re: Ozone State Implementation Plan ("SIP")

Dear Paul:

In response to our recent discussions, this letter details the efforts DCP will take to further reduce volatile organic compound ("VOC") emissions from our operations in Weld County, and elsewhere in the State (where indicated). Our hope is that the additional measures outlined in this letter will assist the Division and the Regional Air Quality Council ("RAQC") in meeting the Governor's July 2007 call to develop a SIP designed to achieve and maintain compliance with EPA's current and new primary 8-hour ozone standards. That stated, it is important that the Division understand that the emissions from DCP's facilities, including VOC emissions, are already well controlled, except where noted, to levels equivalent to BACT. In addition, our business requires that we periodically expand our operations to respond to increased natural gas production in areas of the State like Weld County. We nonetheless share the concern expressed by the Governor in his July 2007 letter and support the current and upcoming SIP planning efforts that are necessary to support his directives.

DCP VOC Emissions Inventory

As part of the current ozone SIP stakeholder process, the Division prepared a list of the largest VOC emission sources in both the 8-hour ozone control area and the State. That list identifies DCP's Enterprise and Mewbourn facilities as the 9th and 14th largest sources of VOC emissions in the 8-hour ozone control area at 174 and 147 tpy respectively, and our Enterprise and Ladder Creek facilities (the latter at 173 tpy) as the 14th and 15th largest VOC sources in the State. The listed emissions accurately reflect the maximum permitted VOC limits in the air permits for each facility. However, the actual VOC emissions are approximately 30% lower than those allowable in the permits. For administrative simplicity, DCP has reported annual emissions on a permitted basis and in light of the need for added accuracy for the current SIP planning process, we recently filed revised APENs for the three above mentioned facilities. With those APENs now on file, none of DCP's facilities should appear on the list of the largest VOC emitting sources in either the 8-hour ozone control area or the State. To ensure this fact is properly accounted for, we are in the process of supplying copies of our recent APEN filings to Mike Silverstein and Theresa Amoroso of your staff for the purpose of deleting the references to

the DCP facilities on the largest VOC emitter list and to update the 2010 control case emission inventory to be used in the current SIP modeling being conducted by Environ/Alpine.

Condensate Storage Tanks

DCP operates 32 atmospheric condensate storage tanks in the 8-hour ozone non-attainment area. With the exception of 11 tanks, all are either controlled to a level of at least 95% or are used only to store stabilized hydrocarbon liquids that exhibit relatively insignificant working and breathing losses. The total uncontrolled actual emissions of VOC from all our tanks as reported on APENs to the Division (i.e., the total across all our Weld County operations), is less than the recordkeeping and reporting *de minimis* level of 30 tpy in Regulation No. 7, and no single tank has uncontrolled actual emissions approaching the new 20 tpy control level trigger. We will nonetheless re-evaluate the 11 uncontrolled atmospheric condensate storage tanks against the APEN *de minimis* levels in Regulation No. 3 and we will voluntarily control any VOC emissions in excess of the construction permit *de minimis* level (i.e., 2 tpy) by an average control efficiency equivalent to 98% (on a rolling 12-month basis).

IC Engines

DCP operates over 100 IC engines in Weld County. Except for two of the IC engines, the substantial majority are subject to federally enforceable emission limitations that are effectively equivalent to BACT and subject to compliance certification requirements under Colorado's Title V operating permit program (or construction permit self certification requirements). This level of engine emission control predates the Ozone Early Action Compact ("EAC") rulemakings. While the two IC engines are permitted to operate without emission controls, we will voluntarily control the emissions from the two engines to the following levels: 2.0 grams/horsepower hour NOx, 4.0 grams/horsepower hour CO, and 1.0 grams/horsepower hour VOC.

Triethylene Glycol ("TEG") Dehydrators

DCP operates thirteen TEG units in Weld County, eight of which operate with either a condenser, a condenser with flare, or which are closed loop (and exhibit no VOC emissions). Of the five remaining units, three are uncontrolled, but located at minor sources and process less than 3 mmscf/day of gas, one is located at our Greeley facility and is used to dehydrate the ethane stream there, so there are only very minimal VOC emissions that are below the APEN *de minimis* level of 1 tpy, and one (located at our Kirkmeyer (Martha) station) will be operated with a vacuum jet type recovery system. This is a zero emission control system that will return 100% of the non-condensable VOC vapors to compressor inlet or to our vapor recovery systems. We are also planning to install a similar vacuum jet recovery system for the dehydration that operates at our Enterprise Station

Leak Detection

DCP has purchased a FLIR GasFind IR camera and we have implemented a schedule to voluntarily utilize the GasFind IR Camera at our gas plants ***and*** compressor stations in the State both before and during the 2008 ozone season. We anticipate that the GasFind IR camera will allow us to identify potentially cost-effective repairs, effect the repairs, and to assess the product savings we anticipate will be achieved. We further anticipate that utilizing the GasFind IR camera will allow us to develop future inspection plans, as necessary, to complete follow-up monitoring. In this respect, the IR camera will augment NSPS Subpart KKK LDAR work practices at our natural gas processing plants, and provide a means of leak detection not required at our compressor stations.

Gas Driven Pneumatic Devices

Seven of our eight Title V facilities utilize air driven pneumatic devices as opposed to gas driven devices. Therefore, while we already employ best practices in this regard, we will evaluate any existing gas driven pneumatic devices we utilize and undertake to either replace existing high-bleed gas driven pneumatic devices with low- or no-bleed devices, or, alternatively, identify other means to limit (or eliminate) VOC emissions from gas driven pneumatic devices.

BASO™ Valves

DCP has historically operated systems designed to minimize flare pilot light outages and, in the event of such outage, to impede or stop the continued flow of gas to such pilot lights until they are relit. DCP will continue this best management practice.

Condensate Loadout

DCP's permits limit VOC emissions from pressurized condensate loadout operations through the use of block valves that limit the VOC contained in liquid and vapor lines. We are required to certify compliance with these operating requirements under Colorado's Title V operating permit program. This is a reasonable strategy for limiting VOC emissions from pressurized condensate loadout, and one we have employed for many years.

Other Reductions

As with many other employers in the Denver Metropolitan Area, DCP offers its employees RTD Eco-Passes and a 9/80 work schedule during the summer months, both of which assist in reducing the vehicle miles traveled by DCP employees during the ozone season.

Conclusion

DCP is committed to being an environmental performance leader. This letter reconfirms our commitment in that regard, along with our view that the Governor's SIP challenge provides us, together, an important opportunity to critically evaluate additional, efficient and cost effective

VOC emission control strategies, and opportunities to identify and secure meaningful VOC emission reductions from other industrial sectors and the general public. We therefore look forward to continuing our participation in efforts designed to attain and maintain compliance with EPA's current and new ozone standards. Please call me should you have any questions regarding DCP's plans or if you have any additional ideas regarding steps DCP might consider implementing to be responsive to the Governor's challenge.

Very truly yours,

Joshua B. Epel
Associate General Counsel

cc: Kenneth H. Lloyd, RACQ