



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

**REGION 8
999 18TH STREET - SUITE 500
DENVER, CO 80202-2466**

NOV 25, 1998

Ref: 8ENF-T

James Easton
Colorado Interstate Gas Company
P.O. Box 1087
Colorado Springs, CO 80944

Re: Niobrara Compressor Station

Dear Mr. Easton:

This is in response to your October 5, 1998, letter to Cindy Reynolds of my staff requesting EPA's approval for the Colorado Air Pollution Control Division to process Colorado Interstate Gas Company's (CIG) request for a synthetic minor permit for two compressor engines located at the Niobrara Compressor Station in Washington County, Colorado.

EPA has determined that the construction of the Akron Compressor Station by Natural Gas Pipeline Company of America in 1979 should have gone through PSD review. This compressor station included three compressors engines (serial numbers: 38D879024, 38F879025 and 38D879028) that had the potential to emit at least 425 tons per year of nitrogen dioxide emissions. Natural Gas Pipeline Company operated the compressor station without a PSD permit until August 1996, at which time High Plains Gathering Systems purchased the compressor station. High Plains Gathering Systems continued to operate the Akron Compressor Station without a PSD permit until October 1997, when CIG purchased one of the three engines and changed the name of the compressor station to Niobrara.

It is EPA's understanding that CIG wants to purchase the other two engines, one for backup and one for parts (in other words, CIG will have purchased the entire facility) and CIG would like to obtain synthetic minor status from the State of Colorado. If the facility had properly gone through PSD review in 1979 or anytime thereafter, each of the three engines would have been required to have Best Available Control Technology (BACT) installed. It is EPA's position that an owner of a unit subject to a BACT requirement cannot avoid complying with that requirement because the source as a whole may reduce its emissions and become a Title I minor source for purposes of future modifications. Additionally, this requirement applies even if there is a subsequent change of ownership of the source since the date the BACT was or should have been installed. CIG cannot circumvent this PSD requirement simply by buying the engines one at a time. Therefore, the fact that CIG does not intend to operate the three engines as a major



source does not impact the past major source status of the facility which originally triggered BACT requirements for the engines. Moreover, the first engine is still subject to a BACT requirement regardless of whether or not CIG purchases the additional engine. Therefore, since CIG may not avoid PSD review for the first engine, and the second engine if purchased for backup (retiring the third engine would negate its requirement for BACT), it is EPA's position that a synthetic minor source permit should not be issued.

If you have any questions, the most knowledge person on my staff is Ms. Cindy Reynolds at (303) 312-6206 or contact me at (303) 312-6776.

Sincerely,

Martin Hestmark, Director
Technical Enforcement Program

cc: Dave Ouimette, CDPHE
Jim King, CDPHE
Julie Wrend, CDPHE
Carol Holmes, OECA