



NOV 09 2011

Debra Sovay
Inergy Propane LP
PO Box 430
Tupman, CA 93276

Re: Notice of Preliminary Decision - Emission Reduction Credits
Project Number: S-1111125

Dear Ms. Sovay:

Enclosed for your review and comment is the District's analysis of Inergy Propane LP's application for Emission Reduction Credits (ERCs) resulting from the removal of a natural gas fired internal combustion engine powering a compressor, at 9224 Tupman Road in Tupman, CA. The quantity of ERCs proposed for banking is VOC 47 lb/yr, NOx 293 lb/yr, CO 15,197 lb/yr, and PM10 102 lb/yr.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 30-day public comment period which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Dan Klevann of Permit Services at (661) 392-5500.

Sincerely,



David Warner
Director of Permit Services

DW: DK/cm

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



NOV 09 2011

Mike Tollstrup, Chief
Project Assessment Branch
Stationary Source Division
California Air Resources Board
PO Box 2815
Sacramento, CA 95812-2815

Re: Notice of Preliminary Decision - Emission Reduction Credits
Project Number: S-1111125

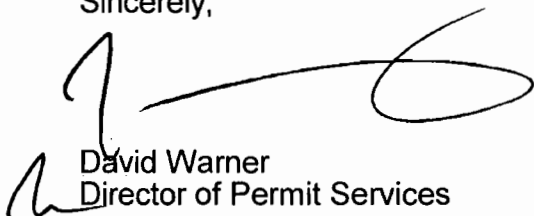
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NOV 09 2011

Gerardo C. Rios (AIR 3)
Chief, Permits Office
Air Division
U.S. E.P.A. - Region IX
75 Hawthorne Street
San Francisco, CA 94105

Re: Notice of Preliminary Decision - Emission Reduction Credits
Project Number: S-1111125

Dear Mr. Rios:

Enclosed for your review and comment is the District's analysis of Inergy Propane LP's application for Emission Reduction Credits (ERCs) resulting from the removal of a natural gas fired internal combustion engine powering a compressor, at 9224 Tupman Road in Tupman, CA. The quantity of ERCs proposed for banking is VOC 47 lb/yr, NOx 293 lb/yr, CO 15,197 lb/yr, and PM10 102 lb/yr.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 30-day public comment period which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Dan Klevann of Permit Services at (661) 392-5500.

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David Warner
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Bakersfield Californian
Bakersfield Californian

**NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Inergy Propane LP for the removal of a natural gas fired internal combustion engine powering a compressor, at 9224 Tupman Road in Tupman, CA. The quantity of ERCs proposed for banking is VOC 47 lb/yr, NOx 293 lb/yr, CO 15,197 lb/yr, and PM10 102 lb/yr.

The analysis of the regulatory basis for this proposed action, Project #S-1111125, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the District office at the address below. Written comments on this project must be submitted within 30 days of the publication date of this notice to **DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

EMISSION REDUCTION CREDIT BANKING APPLICATION REVIEW

Facility Name: Inergy Propane LP
Mailing Address: 9224 Tupman Road
 Tupman, CA 93276

Contact Name: Debra Sovay
Telephone: (661) 808-9168

Facility: S-39
Permit Numbers: S-39-7

ERC Certificate Numbers: S-3677-1, '-2, '-3, -4, and '-5
Project Number: S-1111125

Date Received: April 15, 2011
Date Complete: July 8, 2011

Engineer: Dan Klevann
Date: September 20, 2011

Lead Engineer: Allan Phillips, Supervising AQE

I. SUMMARY:

Inergy Propane LP has removed the natural gas fired internal combustion engine that was used to power a compressor and replaced it with an electric motor. The gas compressor still has fugitive emissions and as such is still permitted as S-39-7-9. Following the permanent shutdown of the engine on November 7, 2010, Inergy submitted an application to bank the emission reduction credits (ERCs) for the decreased emissions. A copy of the Authority to Construct to remove the engine from the compressor is included in Attachment A of this report. The following emission reductions have been found to qualify for banking:

ERC #		ERC (lb)			
		Q1	Q2	Q3	Q4
S-3677-1	VOC	7	22	14	4
S-3677-2	NOx	47	137	86	23
S-3677-3	CO	2,424	7,139	4,459	1,175
S-3677-4	PM10	16	48	30	8

II. APPLICABLE RULES:

- Rule 2201 New and Modified Stationary Source Review Rule (April 21, 2011)
- Rule 2301 Emission Reduction Credit Banking (December 21, 1992)
- Rule 4701 Internal Combustion Engines - Phase 1 (August 21, 2003)
- Rule 4702 Internal Combustion Engines - Phase 2 (August 18, 2011)

III. PROJECT LOCATION:

NE Section 32, Township 30S, Range 25E
9224 Tupman Road
Tupman, CA 93276

IV. METHOD OF GENERATING EMISSION REDUCTIONS:

The emission reductions are being generated by shutdown and removal of the IC engine from the gas compressor. The applicant removed the engine from service on November 7, 2010.

Equipment Shut down:

P/O	Equipment
S-39-7-8	365 HP NATURAL GAS-FIRED INTERNAL COMBUSTION ENGINE EQUIPPED WITH HOUSTON INDUSTRIAL SILENCER, DENOX CATALYTIC CONVERTER WITH MANOMETER AND HIGH TEMPERATURE ALARM SYSTEM

V. CALCULATIONS:

A. Assumptions and Emission Factors

The actual emissions will be calculated for each of the calendar quarters in the baseline period. The Historical Actual Emissions (HAE) will be calculated using actual fuel use data and source test results.

The applicant provided monthly fuel use data for the subject engine from the third quarter 2008 through the first quarter 2011.

Rule 2201 section 3.22 specifies the Historical Actual Emissions must be discounted for any emission reduction which is:

1. Required or encumbered by any laws, rules, regulations, agreement, orders, or permits

2. Attributed for a control measure noticed for workshop, or proposed or contained in a State Implementation plan
3. Proposed in the District's adopted air quality plan for attaining the reductions required by the California Clean Air Act.

Adjustments for Rule 4701- Internal Combustion Engines Phase I:

District Rule 4701 section 5.1 requires rich burn engines to meet the following emission levels.

District Rule 4701 Limits			
Pollutant	NO _x	CO	VOC
Rule Limit (ppmv @ 15% O₂)	50	2000	250
Permit S-39-7-8 (ppmv @ 15% O ₂)	25	1000	100
Source Tested 10/02/2009 ¹	15.3	941	5

As shown above, the source test values for each pollutant from the engine meet the requirements for this rule and no adjustment is necessary.

Adjustments for Rule 4702- Internal Combustion Engines Phase II:

District Rule 4702 was recently amended, section 5.2.2 requires rich burn engines to meet the following emission levels.

District Rule 4702 Limits			
Pollutant	NO _x	CO	VOC
Rule Limit (ppmv @ 15% O₂)	11	2000	250
Permit S-39-7-8 (ppmv @ 15% O ₂)	25	1000	100
Source Tested 10/02/2009	15.3	941	5

As shown above, the engine would continue to meet the CO and VOC limits from Rule 4702. The engine would not meet the new rule emission limit for NO_x if it was still operating. Therefore, the emission factor used in the tables to calculate the historical

¹ See source test results in Appendix B

actual emissions for NO_x will be adjusted down to 11 ppmv Nox @15% O₂ to reflect the new rule requirements.

Engine for Permit Unit S-39-7:

The HAE emissions are based on the following criteria:

- NO_x – Rule 4702 emissions limit
- CO, and VOC – annual source test see appendix B.
- PM₁₀ – AP 42, Internal Combustion Engine, Table 3.2-3 (PM₁₀ - Total)

Emission Factors for IC Engine S-39-7		
Pollutant	Emission Factors	Source
NO _x	11 ppm = 0.0405 lb/MMBtu	Rule 4702
NO _x	15.3 ppm = 0.564 lb/MMBtu	Source Test
PM ₁₀	0.010 lb/MMBtu = 0.033 g/hp·hr	AP-42 (7/00) Table 3.2-3
CO	941 ppm = 2.1099 lb/MMBtu	Source test
VOC	5 ppm = 0.0064 lb/MMBtu	Source test

No other rules have emission limits more strict than the source test results for VOC, and CO. There are no other control measures noticed for workshop or include in the air quality attainment plan that apply to this unit.

B. Baseline Period Determination

Per the following sections of Rule 2201, baseline period is defined as:

- 3.9.1 two consecutive years of operation immediately prior to submission of the complete application; or
- 3.9.2 another time period of at least two consecutive years within the five years immediately prior to submission of the complete application as determined by the APCO as more representative of normal operation;

The engine was shut down on November 7, 2010. The baseline period will be the two years immediately prior to the submission of the application. Inergy supplied fuel use records for the two years prior to the shutdown. For this engine there was terminal downtime from November, when the engine was removed from service, until April when Inergy submitted the application. Therefore the baseline period will be from November 2008 through October 2010.

C. Historical Actual Emissions (HAE)

HAE was calculated using the actual fuel use data provided by the applicant and the emission factors from the most recent source test for the engine. Actual calculations are shown in the attachment D. A sample calculation is shown below.

NOx 1st qtr.

HAE = Fuel used x NOx emission factor

HAE = 467 MMBtu/qtr x 0.0564 lb/MMBtu = 26 lb NOx/ qtr

Historical Actual Emission (HAE)				
Pollutant	1 st Qtr. HAE (lb/qtr)	2 nd Qtr. HAE (lb/qtr)	3 rd Qtr. HAE (lb/qtr)	4 th Qtr. HAE (lb/qtr)
NOx	52	152	95	25
PM10	18	54	34	9
CO	2,693	7,932	4,954	1,306
VOC	8	24	15	4

D. Actual Emissions Reductions (AER)

Actual Emissions Reductions are calculated as follows:

$$AER = HAE - PE2$$

Where:

HAE = Historic Actual Emissions

PE2 = Post-project Potential to Emit

The engine in this project was removed therefore, PE2 = 0 lb/Qtr and AER = HAE.

Actual Emission Reductions (AER)				
Pollutant	1 st Qtr. AER (lb/qtr)	2 nd Qtr. AER (lb/qtr)	3 rd Qtr. AER (lb/qtr)	4 th Qtr. AER (lb/qtr)
NOx	52	152	95	25
PM10	18	54	34	9
CO	2,693	7,932	4,954	1,306
VOC	8	24	15	4

E. Air Quality Improvement Deduction (AQID)

Actual Emission Reductions must be discounted by 10% for Air Quality Improvement.

Sample calculation:

$$\begin{aligned}
 \text{Q1 NOx lb} &= \text{AER X (0.1)} \\
 &= (52 \text{ lb}) \text{ X (0.1)} \\
 &= 5.2 \text{ lb} \\
 &= 5 \text{ lb}
 \end{aligned}$$

Air Quality Improvement Deduction (AQID)				
Pollutant	1st Qtr. AER (lb/qtr)	2nd Qtr. AER (lb/qtr)	3rd Qtr. AER (lb/qtr)	4th Qtr. AER (lb/qtr)
NOx	5	15	10	3
PM10	2	5	3	1
CO	269	793	495	131
VOC	1	2	2	0

F. Increases in Permitted Emissions

The emission unit has been shutdown and the Permit to Operate modified to remove the engine from the permit. No emission increases are being authorized at this or any other location. Therefore, the Increase in Permitted Emissions for this application is zero.

G. Bankable Emissions Reductions Credits

The bankable emission reduction (ERC) is equal to the AER minus the AQID.

Sample calculation:

$$\begin{aligned}
 \text{Q1 NOx lb} &= \text{AER - AQID} \\
 &= 52 \text{ lb} - 5 \text{ lb} \\
 &= 47 \text{ lb}
 \end{aligned}$$

Bankable Emission Reductions Credit (ERC)				
Pollutant	1st Qtr. ERC (lb/qtr)	2nd Qtr. ERC (lb/qtr)	3rd Qtr. ERC (lb/qtr)	4th Qtr. ERC (lb/qtr)
NOx	47	137	86	23
PM10	16	48	30	8
CO	2,424	7,139	4,459	1,175
VOC	7	22	14	4

VI. COMPLIANCE:

To be eligible for banking, emission reduction credits (ERC's) must be verified as being real, enforceable, quantifiable, permanent, and surplus pursuant to District Rules 2201 and 2301. In addition, the application must be submitted within the timeline specified in Rule 2301.

A. Real

The AER quantified above are based on actual, historical emissions and were calculated from actual fuel use data, source tests, and representative emission factors. The engine has been removed from service and from the permit.

Therefore, the AER due to shutting down the engine is real.

B. Enforceable

The equipment authorized by the permit has been removed from service and the Permit to Operate has been modified. Therefore, the quantified AER is enforceable.

C. Quantifiable

The actual emission reductions (AER) quantified above are based on actual, historical emissions calculated from fuel use data, source tests, and emission factors. Therefore, the AER is quantifiable.

D. Permanent

The applicant has removed the engine from service and modified the PTO to remove the engine from the PTO. Therefore, the AER is permanent.

E. Surplus

The emission reductions are not mandated by any law, rule, regulation, agreement, or order of the District, State, or Federal Government. Rule 4702 applies to the engine. The proposed Rule 4702 limits the NOx emissions to 11 ppmv@15% O₂. Source tests performed on the turbines were below the CO Rule limits. The emissions reductions are surplus of Rule 4702. Therefore, the AER is surplus.

F. Timeliness

The ERC application was submitted on April 15, 2011. The engine was retired permanently on November 7, 2010. The PTO has been modified and implemented.

Because the ERC application was submitted within 180 days after the date that shutdown occurred, the application is timely.

VII. RECOMMENDATION:

After public notice, comments and review, issue ERCs to Inergy in the amounts shown below:

ERC #	Pollutant	ERC (lb)			
		Q1	Q2	Q3	Q4
S-3677-1	VOC	7	22	14	4
S-3677-2	NOx	47	137	86	23
S-3677-3	CO	2,424	7,139	4,459	1,175
S-3677-4	PM10	16	48	30	8

Appendix A

S-39-7-8, S-39-7-9

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-39-7-8

EXPIRATION DATE: 08/31/2014

SECTION: NE32 TOWNSHIP: 30S RANGE: 25E

EQUIPMENT DESCRIPTION:

365 HP NATURAL GAS-FIRED INTERNAL COMBUSTION ENGINE EQUIPPED WITH HOUSTON INDUSTRIAL SILENCER, DENOX CATALYTIC CONVERTER WITH MANOMETER AND HIGH TEMPERATURE ALARM SYSTEM

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101, 5.1]
2. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201, 3.1]
3. All equipment or systems installed or used to achieve compliance with the terms and conditions of the Authority to Construct shall be maintained in good working order and be operated as efficiently as possible to minimize air pollution emissions. [District NSR Rule]
4. Only PUC-quality natural gas shall be used as fuel. [District NSR Rule]
5. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [District Rule 4801 and Kern County Rule 407]
6. The sulfur content of the natural gas being combusted in the engine shall be determined using ASTM method D 1072, D 4084 or D 3246. [District Rule 2201]
7. The sulfur content of each fuel source shall be tested quarterly. If a test shows noncompliance with the sulfur content requirement, the source shall perform weekly testing until eight consecutive weeks show compliance. After compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency may return to quarterly. [District Rule 2201]
8. The permittee shall maintain records of sulfur content of the fuel used. [District Rule 2201]
9. The engine shall be equipped with an operational nonresettable elapsed operating time meter. [District Rules 2201, 4701, and 4702]
10. Emissions from this IC engine shall not exceed any of the following limits: 25 ppmvd-NO_x @ 15% O₂, 10.00 lb-PM₁₀/MMdscf of natural gas, 1000 ppmvd-CO @ 15% O₂, or 100 ppmvd-VOC @ 15% O₂. [District Rules 2201, 4701, and 4702]
11. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

12. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, the permittee shall notify the District within the following 1 hour, and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4701, 5.4 and 4702, 5.6]
13. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4701, 5.4 and 4702, 5.6]
14. The Permittee shall comply with all applicable inspection, maintenance, testing and recordkeeping requirements of 40 CFR 60 subpart V V and Rule 4455 (see requirements listed on facility wide permit). [40CFR60 subpart V V and District Rule 4455]
15. NO_x and CO emissions shall be measured (source tested) not less than once every 24 months. [District Rules 4701, 6.3 and 4702, 6.3]
16. Emissions source testing shall be conducted with the engine operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. [District Rules 4701 and 4702]
17. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit, the test cannot be used to demonstrate compliance with an applicable limit. NO_x and CO concentrations shall be reported in ppmv, corrected to 15% oxygen. [District Rules 4701 and 4702]
18. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, CO (ppmv) - EPA Method 10 or ARB Method 100, VOC (ppmv) - EPA Method 25A or 25B, or ARB Method 100, and stack gas oxygen - EPA Method 3 or 3A, or ARB Method 100. [District Rule 4701, 6.4]
19. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081]
20. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081]
21. The permittee shall maintain records of: (1) total hours of operation, (2) type and quantity of fuel used, (3) maintenance or modifications performed, (4) the date and time of NO_x, CO, and O₂ measurements, (5) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 15% O₂, (6) make and model of exhaust gas analyzer, (7) exhaust gas analyzer calibration records, and (8) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4701, 6.2 and 4702, 6.2]
22. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO for approval no later than 14 days after the change. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]
23. All required logs and all records of required monitoring data and support information shall be retained by the operator for a minimum of five years after the date of an entry, kept in a readily accessible location, and made available upon request to District personnel. [District Rule 2201]

These terms and conditions are part of the Facility-wide Permit to Operate.



AUTHORITY TO CONSTRUCT

PERMIT NO: S-39-7-9

ISSUANCE DATE: 01/20/2011

LEGAL OWNER OR OPERATOR: INERGY PROPANE LLC

MAILING ADDRESS:

ATTN: SCOTT JONES
P O BOX 430
TUPMAN, CA 93276

LOCATION:

NORTH COLES LEVEE GAS PLANT
9224 TUPMAN RD
TUPMAN, CA 93276

SECTION: NE32 **TOWNSHIP:** 30S **RANGE:** 25E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 365 HP NATURAL GAS-FIRED INTERNAL COMBUSTION ENGINE EQUIPPED WITH HOUSTON INDUSTRIAL SILENCER, DENOX CATALYTIC CONVERTER WITH MANOMETER AND HIGH TEMPERATURE ALARM SYSTEM: REPLACE ENGINE WITH A 300 HP ELECTRIC MOTOR POWERING A PROPANE COMPRESSOR

CONDITIONS

1. The permittee shall not emit more than one half of the major source threshold based on a rolling 12-month summary of actual emissions. [District Rule 2530, 6.1]
2. The permittee shall maintain a record of the rolling 12-month summary of actual emissions from permitted operations. This record shall be kept on site and made available to the District upon request. [District Rule 2530, 6.1]
3. If the permittee emits more than one half of the major source threshold based on a rolling 12-month summary of actual emissions, the permittee shall submit an application to comply with SJVUAPCD District Rule 2520 - Federally Mandated Operating Permits within 12 months after the exceedance. [District Rule 2520]
4. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
5. Fugitive VOC emissions from components shall not exceed 0.6 lb/day. [District Rule 2201]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

S-39-7-9 : Aug 30 2011 12:20PM - KLEVANNND : Joint Inspection NOT Required

6. Permittee shall maintain accurate fugitive component count and resultant emissions calculated using emission factors from CAPCOA's "California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities," Table IV-2c (Feb 1999), Oil and Gas Production Screening Value Range emission factors < 10,000 ppmv. Permittee shall update such records when new components are approved and installed. [District Rule 2201]
7. The operator shall meet operating, inspection and re-inspection, maintenance, process pressure relief device (PRD) and component identification requirements of District Rule 4455 for all components containing or contacting VOC, except for those components specifically exempted in Sections 4.1 and 4.2. [District Rule 4455, 5.0]
8. The operator shall not use any component that leaks in excess of the allowable leak standards, except as follows. A component identified as leaking in excess of an allowable leak standard may be used provided it has been identified with a tag for repair, has been repaired, or is awaiting re-inspection after repair, within the applicable time period specified within the rule. [District Rule 4455, 5.1.1]
9. A component shall be considered leaking if one or more of the conditions specified in Sections 5.1.4.1 through 5.1.4.4 of the rule exist at the facility. [District Rule 4455, 5.1.4]
10. The operator shall audio-visually inspect for leaks all accessible operating pumps, compressors and PRD in service at least once every 24 hours, except when operators do not report to the facility for that given 24 hours. Any identified leak that cannot be immediately repaired shall be reinspected within 24 hours using EPA Method 21. If a leak is found, it shall be repaired as soon as practical but not later than the time frame specified in Table 3 of the rule. [District Rule 4455, 5.2.1 and 5.2.2]
11. The operator shall inspect all components at least once every calendar quarter. New, replaced, or repaired fittings, flanges and threaded connections shall be inspected immediately after being placed into service. Inaccessible components, unsafe-to-monitor components and pipes shall be inspected in accordance with the requirements set forth in Sections 5.2.5 through 5.2.7. Components shall be inspected using EPA Method 21. [District Rule 4455, 5.2.3, 5.2.4, 5.2.5, 5.2.6 and 5.2.7]
12. The operator may apply for a written approval from the APCO to change the inspection frequency from quarterly to annually for a component type, provided the operator meets all the criteria specified in Sections 5.2.8.1 through 5.2.8.3 of the rule. This approval shall apply to accessible component types, specifically designated by the APCO, except pumps, compressors, and PRDs which shall continue to be inspected on a quarterly basis. [District Rule 4455, 5.2.8]
13. An annual inspection frequency approved by the APCO shall revert to quarterly inspection frequency for a component type if either the operator inspection or District inspection demonstrates that a violation of the provisions of Sections 5.1, 5.2 and 5.3 of the rule exists for that component type, or the APCO issued a Notice of Violation for violating any of the provisions of this rule during the annual inspection period for that component type. When the inspection frequency changes from annual to quarterly inspections, the operator shall notify the APCO in writing within five (5) calendar days after changing the inspection frequency, giving the reason(s) and date of change to quarterly inspection frequency. [District Rule 4455, 5.2.9 and 5.2.10]
14. Except for process PRD, a component shall be inspected within 15 calendar days after repairing the leak or replacing the component using EPA Method 21. [District Rule 4455, 5.2.12]
15. Upon detection of a leaking component, the operator shall affix to that component a weatherproof readily visible tag. The tag shall remain affixed to the component until the leaking component has been repaired or replaced; has been re-inspected using EPA Method 21; and is found to be in compliance with the requirements of this rule. [District Rule 4455, 5.3.1 and 5.3.2]
16. The tag shall include date and time of leak detection, date and time of leak measurement, indicate the leak concentration in ppmv (gas leaks), indicate whether it is a major or a minor leak (liquid leaks) and whether the leaking component is an essential component, unsafe-to-monitor component or critical component. [District Rule 4455, 5.3.3]
17. All component leaks shall be immediately minimized to the extent possible, but not later than one (1) hour after detection of leaks, in order to stop or reduce leakage to the atmosphere. As soon as practicable but not later than the time period specified in Table 3 of the rule, components that have been identified as leaking and have had emissions minimized to the extent possible but do not meet the applicable leak standards of the rule shall either be: 1) repaired or replaced, or 2) vented to a closed vent system, or 3) removed from operation. [District Rule 4455, 5.3.4 and 5.3.5]

CONDITIONS CONTINUE ON NEXT PAGE

18. For any leaking component that is an essential or critical component, and which cannot be immediately shut down for repairs, the operator shall minimize the leak within one hour after detection of the leak. If the leak has been minimized but still exceeds any of the applicable leak standards of this rule, the operator shall repair or replace the component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4455, 5.3.6]
19. For any component that has incurred five repair actions for major gas leaks or major liquid leaks (any combination) within a continuous 12-month period, the operator shall as soon as practicable but not later than 12 months after the date of detection either: 1) replace or retrofit the component with the control technology specified in Table 4 of the rule, or 2) replace the component with Best Available Control Technology (BACT) equipment, as approved by the APCO, or 3) vent the component to an APCO approved closed vent system as defined in Section 3.0 of the rule, or 4) remove the component from operation. Inaccessible components, unsafe-to-monitor components, essential components, or critical components shall satisfy the above-listed requirement as soon as practicable but not later than the next turnaround or not later than two (2) years after the date of detection of the fifth major leak within a continuous 12-month period, whichever comes earlier. The APCO shall be notified in writing prior to the replacement or retrofitting of any component. [District Rule 4455, 5.3.7]
20. All major components and critical components shall be physically identified clearly and visibly for inspection, repair, and record keeping purposes. The physical identification shall consist of labels, tags, manufacturer's nameplate identifier, serial number, or model number, or other APCO-approved system that enables an operator or District personnel to locate each individual component. The operator shall replace tags or labels that become missing or unreadable as soon as practicable but not later than 24 hours after discovery. [District Rule 4455, 5.5]
21. The operator shall keep a copy of the Rule 4455 Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB and US EPA upon request. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved Operator Management Plan. [District Rule 4455, 6.1.2]
22. Operator shall maintain an inspection log containing the information set forth in Sections 6.2.1.1 through 6.2.1.10 of the rule. [District Rule 4455, 6.2.1]
23. Measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument, calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. Operator shall keep a record of each instrument calibration in accordance with requirements as set forth Section 6.2.3 of the rule. [District Rule 4455, 6.4]
24. All records required by this permit shall be retained for a period of at least 5 years and shall be made available to the District, ARB, and USEPA upon request. [District Rule 1070]

Appendix B
Source Tests

Company: INERGY PROPANE LLC

Test Date: 10/02/2009

Pass Fail

Permit#: S-39-7-8

FacilityID: 39

Unit ID: ELECTRIFIED 365 HP IC ENG

Witnessed By:

Area Inspector: WHITEJ

Reason For Testing:

Annual Initial CGA RATA Stationary/RATA QTR:
 ReTest RepTest AMS Dist Performed Unit Dormant
 Postponed

Test Company: AEROS ENVIRONMENTAL INC.

Project Number: 207-6470

Next Test: 7/5/2009

Test Company Contact: Mr. Tim Brennan

Equipment: 365 HP IC ENG W/ CATALYST, A/F, RICH BURN

Equipment Type: IC Engine

Input Rate: 365.0 HP

Output Rate:

Control Equipment:

Catalyst Scrubber Baghouse FGR O2
 LoNOx Incin ESP H2O/Stm Inj NH3/SCR
 DLN PSC PCC Rich Burn Lean Burn
 Cyclone TEOR-Gas

Fuel Data And Operational Data:

Fuel Type: Nat. Gas

F-Factor:

BTU:

Fuel Rate: 1044.0 mcf/d

Second Fuel:

O2 % Stack:

Stack Flow:

Process Rate:

Comments:

CRACKE HEAD RE-SCHEDULE?

Enforcement Action:

NOV#:

Report Rec: 11/04/2009

Reviewed By: RODRIGUU

Results Sent Date: 11/04/2009

Test Results:

Pollutant	Unit	Result	Limit	O2 Correction	Failed	Unit ID
CO	ppm	941.0	1000.0	15		365 HP IC ENG
NOx	ppm	15.3	25.0	15		365 HP IC ENG
VOC	ppm	5.0	100.0	15		365 HP IC ENG

Appendix C
Fuel Use Records

North Coles Levee Monthly Gathering Summary

MMBTU

	Oct 2008	Nov 2008	Dec 2008	Jan 2009	Feb 2009	Mar 2009	Apr 2009	May 2009	Jun 2009	Jul 2009	Aug 2009	Sep 2009	YTD Total
Receipts													
Production													
Central Resources Dry Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Central Resources Dry Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Central Resources Total Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Vintage - Wheeler Ridge	59,567	66,359	64,771	59,945	44,286	43,446	42,456	42,796	44,093	48,115	50,225	53,552	619,609
Vintage - Pletto Ranch	8,795	6,930	8,186	8,305	7,834	9,548	8,013	7,527	7,116	9,335	8,316	8,037	97,943
Vintage - Paloma	7,024	5,728	5,494	5,017	4,349	4,963	5,881	5,475	4,069	4,805	4,787	5,294	62,885
Vintage - Rio Viejo	457	249	173	172	62	183	414	683	842	1,550	998	998	5,784
Vintage - Rio Viejo/Buy Back	-1,572	-1,469	-1,553	-1,633	-1,433	-2,216	-2,047	-2,509	-2,793	-3,379	-3,571	-2,198	-26,372
Vintage - Landslide	172	0	0	0	0	0	0	0	0	0	0	0	172
Vintage - Landslide Buy Back	-1,797	-1,640	-1,860	-1,519	-656	-2,056	-1,915	-1,833	-2,185	-1,075	-837	-948	-18,322
Vintage - H Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
Stevens Zone	30,140	32,573	34,312	40,751	41,237	54,726	118,405	123,908	99,816	72,533	74,235	76,743	799,378
Vintage Total Receipts	102,788	108,730	109,524	111,038	95,678	108,595	171,206	176,047	150,957	130,334	134,704	141,478	1,541,076
Yowlumne Sec. 4	0	0	0	0	0	0	0	0	0	0	0	0	0
Falcon-PoCo	472	426	436	477	415	414	309	503	368	155	684	490	5,148
Dcor Total Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Longbow Paloma	0	0	0	0	0	0	0	0	0	0	0	0	0
SJM Pioneer Canal	1,201	1,384	1,780	1,953	1,448	1,366	1,501	1,519	1,480	1,550	1,684	1,515	18,382
Target Total Receipts	347	418	339	376	348	306	375	330	300	319	326	370	4,153
SJFM Ten Section	4,135	4,742	5,996	4,173	2,355	4,240	4,991	4,867	5,664	5,475	5,392	5,374	57,402
Grayson	0	0	0	0	0	0	0	0	0	0	0	0	0
Grayson South	590	717	662	166	361	1,006	780	1,105	956	1,049	199	940	8,531
Total Other Gathering	6,745	7,687	9,213	7,144	4,927	7,332	7,956	8,324	8,767	8,547	8,286	8,688	93,616
Total Gathering Receipts	109,530	116,417	118,737	118,182	100,605	115,926	179,162	184,371	159,724	138,881	142,990	150,166	1,634,692
Rogas Vapors	5,362	5,866	2,761	1,594	2,002	4,802	3,099	6,417	7,053	6,722	9,848	8,579	64,105
Total Production with Rogas Vapors	114,893	122,283	121,498	119,776	102,608	120,728	182,261	190,788	166,778	145,603	152,837	158,745	1,698,797
Total Gathering Check Meters	112,847	119,287	120,148	116,446	98,645	118,027	181,028	187,611	165,571	141,915	148,183	155,245	1,664,953
Losses in Gathering Operations	(2,046)	(2,996)	(1,350)	(3,330)	(3,963)	(2,701)	(1,233)	(3,177)	(1,207)	(3,688)	(4,654)	(3,500)	(33,844)
	-1.8%	-2.5%	-1.1%	-2.8%	-3.9%	-2.2%	-0.7%	-1.7%	-0.7%	-2.5%	-3.0%	-2.2%	-2.0%
Value assuming \$6.00/mmbtu	\$ (12,274)	\$ (17,976)	\$ (8,102)	\$ (19,983)	\$ (23,775)	\$ (16,207)	\$ (7,397)	\$ (19,060)	\$ (7,240)	\$ (22,126)	\$ (27,927)	\$ (20,998)	\$ (203,066)
Oxy Total Receipts	0	0	0	0	0	0	0	61,193	36,717	39,106	65,303	122,340	324,659
Depropanizer O/H Vapor r.r.	0	0	0	0	0	0	0	0	0	0	0	0	0
HP Storage	5,707	4,395	2,584	3,560	2,274	1,166	3,419	5,812	3,027	17,636	21,444	14,430	85,454
Jiro Compressor	0	0	0	0	0	0	0	13,937	16,185	8,600	15,507	12,560	66,788
PSA Reject Gas	0	0	0	0	0	0	0	0	0	0	5,249	4,656	9,905
Rogas Vapors (included in Check meter)	5,362	5,866	2,761	1,594	2,002	4,802	3,099	6,417	7,053	6,722	9,848	8,579	64,105
Inergy Total Receipts	11,070	10,261	5,345	5,154	4,276	5,968	6,518	26,165	26,265	32,957	52,048	40,225	226,253
Total Receipts to Proquip (Check)	118,554	123,682	122,732	120,006	100,919	119,193	184,447	268,553	221,500	207,256	255,686	309,231	2,151,759
Uses													
Master Fuel	9,349	10,225	10,717	10,623	11,126	3,328	0	0	0	0	0	0	55,368
Truck Unloading Vapors	3,013	3,605	5,609	4,957	3,636	2,179	3,311	3,866	5,705	8,630	12,350	4,879	61,739
Tank 15 Fuel	19	100	587	984	408	228	638	1,351	1,264	2,401	798	73	8,850
Cogen Turbine #1	11,903	12,742	12,854	13,211	11,884	11,506	11,564	10,464	6,568	4,959	5,265	5,932	118,851
Cogen Burner #1	6,070	5,227	8,252	7,041	5,949	11,339	16,222	15,311	14,531	5,724	5,030	350	101,046
Cogen Turbine #2	0	0	0	0	0	0	0	0	19,321	37,742	46,490	41,705	145,259

Cogen Burner #2	0	0	0	0	0	0	0	0	0	24,368	16,843	14,287	9,801	65,299
PSA Reject Gas	0	0	0	0	0	0	0	0	0	0	0	5,249	4,656	
Buy Back from SoCal	1,182	777	63	88	114	208	559	178	900	178	0	0	0	4,242
Inergy Total Usage	31,536	32,675	38,082	36,904	33,116	28,786	32,293	31,167	58,126	70,753	84,439	67,046	544,924	
Net Receipts/Usage (Check)	87,018	91,007	84,650	83,102	67,803	90,407	152,155	237,386	163,373	136,503	171,247	242,185	1,606,836	
Deliveries														
Residue to SoCal Sargas (Custody)	58,053	60,552	57,542	59,233	45,328	65,843	122,411	193,103	117,918	83,748	114,179	185,948	1,163,859	
Proquip NGL Shrink	32,173	33,151	25,605	26,076	22,188	24,465	33,302	42,933	42,356	50,497	59,852	54,252	448,849	
Total Deliveries	90,226	93,703	83,146	85,309	67,515	90,308	155,713	236,036	160,275	134,245	174,030	240,201	1,610,708	
Processing Over/ -Short (Check)	3,208	2,696	-1,503	2,208	-288	-99	3,558	-1,350	-3,099	-2,258	2,783	-1,985	3,873	
Value assuming \$6.00/mmbtu	\$ 19,247	\$ 16,175	\$ (9,020)	\$ 13,246	\$ (1,725)	\$ (592)	\$ 21,350	\$ (8,098)	\$ (18,592)	\$ (13,548)	\$ 16,701	\$ (11,909)	\$ 23,235	
Total Facility Over/-short	1,162	-300	-2,854	-1,123	-4,250	-2,800	2,325	-4,526	-4,305	-5,946	-1,871	-5,484	-29,972	
% Over/ -Short After Proquip Production	1.0%	-0.2%	-2.3%	-0.9%	-4.2%	-2.3%	1.3%	-1.7%	-1.9%	-2.9%	-0.7%	-1.8%	-1.4%	
SoCal Sales Meter														
SoCal Sales	58,053	60,552	57,542	59,233	45,328	65,843	122,411	193,103	117,918	83,748	114,179	185,948		
Inergy Check, SoCal Sales	56,482	58,839	55,595	57,301	43,448	63,607	119,298	188,549	114,671	81,203	111,047	181,693		
Gain/-loss	1,571	1,713	1,947	1,932	1,880	2,236	3,113	4,554	3,247	2,545	3,131	4,255		
	2.7%	2.8%	3.4%	3.3%	4.1%	3.4%	2.5%	2.4%	2.8%	3.0%	2.7%	2.3%		

North Coles Levee Monthly Gathering Summary

MMBTU

	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	YTD Total
Receipts													
Production													
Central Resources Dry Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Central Resources Dry Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Central Resources Total Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Vintage - Wheeler Ridge	54,701	51,174	48,904	44,817	41,394	48,375	51,248	55,189	47,523	58,927	50,658	49,370	602,278
Vintage - Piletto Ranch	7,255	7,771	7,874	7,748	5,014	7,271	8,169	6,815	8,193	10,411	9,237	10,720	96,476
Vintage - Paloma	5,325	5,436	5,577	5,235	5,418	6,146	5,696	5,814	5,683	6,880	6,950	6,202	70,361
Vintage - Rio Viejo	470	221	52	267	251	864	2,073	1,552	1,704	1,784	1,441	1,728	12,406
Vintage - Rio Viejo/Buy Back	-2,249	-2,098	-2,605	-3,584	-3,300	-3,215	-2,521	-1,828	-2,212	-3,500	-2,087	-2,076	-31,274
Vintage - Landslide	0	0	0	0	0	0	0	0	0	0	0	0	0
Vintage - Landslide Buy Back	-1,342	-1,219	-1,900	-1,994	-1,941	0	-1,991	-733	-365	-742	-931	-639	-13,998
Vintage - H Lease	0	0	0	0	0	-1,972	0	0	0	0	0	0	-1,972
Stevens Zone	83,570	80,838	91,186	84,245	54,991	78,839	74,259	65,613	61,511	67,915	64,301	65,624	872,892
Vintage Total Receipts	147,730	142,123	149,089	136,732	101,825	136,308	136,932	132,422	122,037	141,675	129,568	130,729	1,607,169
Yowlumne Sec. 4	0	0	0	0	0	0	0	3,108	4,008	8,131	3,755	6,676	25,678
Falcon-PoCo	774	432	310	276	244	257	210	247	234	264	265	257	3,769
Dcor Total Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0
Longbow Paloma	0	0	0	0	0	0	0	0	0	0	0	0	0
SJM Pioneer Canal	1,439	1,364	1,667	1,567	1,533	1,510	1,727	1,325	1,539	1,599	1,349	1,696	18,335
Target Total Receipts	378	323	313	379	123	19	262	172	8	4	3	12	1,999
SJFM Ten Section	2,811	4,176	4,964	5,640	5,279	5,919	6,371	4,998	6,660	6,757	6,487	6,572	66,635
Grayson	0	0	0	0	0	0	0	0	0	0	0	0	0
Grayson South	701	849	718	928	767	446	101	760	486	99	478	338	6,672
Total Other Gathering	6,104	7,165	7,972	8,790	7,947	8,152	8,670	10,610	12,935	16,854	12,336	15,552	123,088
Total Gathering Receipts	153,833	149,288	157,061	145,522	109,772	144,460	145,602	143,033	134,972	158,529	141,905	146,280	1,730,257
Rogas Vapors	4,210	4,440	4,529	3,927	3,990	7,444	3,989	5,200	7,911	8,795	8,794	6,874	70,103
Total Production with Rogas Vapors	158,043	153,728	161,590	149,449	113,762	151,904	149,591	148,232	142,883	167,324	150,699	153,154	1,800,360
Total Gathering Check Meters	155,509	150,124	153,920	144,036	110,521	149,654	148,807	144,825	139,871	164,229	146,357	150,751	1,756,604
Losses in Gathering Operations	(2,534)	(3,604)	(7,670)	(5,413)	(3,241)	(2,250)	(2,784)	(3,407)	(3,012)	(3,095)	(4,342)	(2,403)	(43,756)
	-1.6%	-2.3%	-4.7%	-3.6%	-2.8%	-1.5%	-1.9%	-2.3%	-2.1%	-1.8%	-2.9%	-1.6%	-2.4%
Value assuming \$6.00/mmbtu	\$ (15,206)	\$ (21,624)	\$ (46,021)	\$ (32,481)	\$ (19,444)	\$ (13,499)	\$ (16,703)	\$ (20,445)	\$ (18,074)	\$ (18,573)	\$ (26,051)	\$ (14,418)	\$ (262,538)
Oxy Total Receipts	135,909	132,860	139,708	129,840	127,281	141,892	125,969	144,283	135,371	117,563	121,703	128,781	1,581,160
Depropanizer O/H Vapor r.r.	0	0	0	0	0	0	0	0	0	0	0	0	0
HP Storage	9,791	848	1,145	1,612	671	3,771	4,042	1,125	2,386	7,625	6,860	7,700	47,573
Jiro Compressor	6,259	16,250	18,770	17,903	9,135	25,807	10,739	7,900	6,173	6,117	5,115	8,132	138,299
PSA Reject Gas	6,646	6,592	1,314	590	53	1,102	297	3,314	4,381	336	0	0	24,623
Rogas Vapors (included in Check meter)	4,210	4,440	4,529	3,927	3,990	7,444	3,989	5,200	7,911	8,795	8,794	6,874	70,103
Inergy Total Receipts	26,905	28,129	25,758	24,032	13,849	37,021	19,871	14,521	19,784	26,918	21,105	22,705	280,599
Total Receipts to Proqup (Check)	314,114	306,674	314,858	293,981	247,661	321,123	288,659	298,430	287,115	299,914	280,370	295,363	3,548,260
Uses													
Master Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0
Truck Unloading Vapors	4,283	3,798	4,431	5,323	3,430	5,832	6,094	4,377	3,944	3,067	3,380	2,596	50,555
Tank 15 Fuel	88	245	1	442	202	289	1,642	1,642	982	726	245	453	6,958
Cogen Turbine #1	11,834	11,521	2,423	335	0	42	2,808	3,414	2,381	178	181	0	35,117
Cogen Burner #1	0	0	0	0	0	0	0	0	0	0	0	0	0
Cogen Turbine #2	40,817	34,665	35,979	33,415	30,145	38,002	28,617	25,256	33,426	42,389	36,403	35,663	414,777

Cogen Burner #2	12,325	12,951	9,586	11,200	9,121	10,475	8,953	10,512	9,524	3,583	9,038	12,146	119,413
PSA Reject Gas	6,646	6,592	1,314	590	53	0	1,102	297	3,314	4,381	336	0	
Buy Back from SoCal	0	0	0	0	67	201	92	42	834	3	336	0	1,576
Inergy Total Usage	75,993	69,773	53,733	51,305	43,018	54,841	49,309	45,540	54,405	54,327	49,918	50,857	653,019
Net Receipts/Usage (Check)	238,121	236,901	261,123	242,675	204,643	266,283	239,350	252,890	232,710	245,587	230,452	244,508	2,895,241
Deliveries													
Residue to SoCal Sales (Custody)	197,225	188,656	209,489	201,016	168,577	204,899	195,289	212,340	197,954	199,875	191,980	196,929	2,364,226
Proquip NGL Shrink	41,325	47,015	52,178	40,690	34,346	56,547	42,971	39,533	33,953	43,083	36,112	46,092	513,846
Total Deliveries	238,550	235,671	261,667	241,706	202,923	261,446	238,260	251,873	231,907	242,958	228,091	243,021	2,878,072
Processing Over/ -Short (Check)	429	-1,230	544	-969	-1,721	-4,836	-1,090	-1,017	-803	-2,630	-2,360	-1,485	-17,169
	0.1%	-0.4%	0.2%	-0.3%	-0.7%	-1.5%	-0.4%	-0.3%	-0.3%	-0.9%	-0.8%	-0.5%	-0.5%
Value assuming \$6.00/mmbtu	\$ 2,574	\$ (7,381)	\$ 3,262	\$ (5,814)	\$ (10,324)	\$ (29,018)	\$ (6,540)	\$ (6,102)	\$ (4,818)	\$ (15,777)	\$ (14,162)	\$ (8,912)	\$ (103,013)
Total Facility Over/-short	-2,105	-4,834	-7,126	-6,383	-4,961	-7,086	-3,874	-4,425	-3,815	-5,725	-6,702	-3,888	-60,925
% Over/ -Short After Proquip Production	-0.7%	-1.6%	-2.3%	-2.2%	-2.0%	-2.2%	-1.3%	-1.5%	-1.3%	-1.9%	-2.4%	-1.3%	-1.7%
SoCal Sales Meter													
Socal Sales	197,225	188,656	209,489	201,016	168,577	204,899	195,289	212,340	197,954	199,875	191,980	196,929	
Inergy Check, Socal Sales	192,688	184,062	204,483	197,515	162,399	199,780	180,777	207,575	192,629	195,750	187,994	192,640	
Gain/-loss	4,537	4,594	5,006	3,501	6,178	5,119	4,512	4,764	5,325	4,124	3,985	4,288	
	2.3%	2.4%	2.4%	1.7%	3.7%	2.5%	2.3%	2.2%	2.7%	2.1%	2.1%	2.2%	

North Coles Levee Monthly Gathering Summary
MMBTU

	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011
Receipts												
Production												
Central Resources Dry Gas	0	0	0	0	0	0	0	0	0	0	0	0
Central Resources Dry Gas	0	0	0	0	0	0	0	0	0	0	0	0
Central Resources Total Receipts	0	0	0	0	0	0	0	0	0	0	0	0
Vintage - Wheeler Ridge	42,670	45,917	46,427	53,688	50,049	0	0	0	0	0	0	0
Vintage - Pileto Ranch	10,008	6,745	11,781	11,987	9,998	0	0	0	0	0	0	0
Vintage - Paloma	6,245	3,924	5,731	5,110	5,045	0	0	0	0	0	0	0
Vintage - Rio Viejo	1,924	1,591	1,193	720	896	0	0	0	0	0	0	0
Vintage - Rio Viejo/Buy Back	-2,481	-2,402	-2,245	-2,110	-2,160	0	0	0	0	0	0	0
Vintage - Landslide	0	561	31	0	0	0	0	0	0	0	0	0
Vintage - Landslide Buy Back	-1,151	-1,101	-1,023	-1,373	-1,226	0	0	0	0	0	0	0
Vintage - H Lease	0	0	0	0	0	0	0	0	0	0	0	0
Stevens Zone	64,541	67,037	64,898	69,414	60,650	0	0	0	0	0	0	0
Vintage Total Receipts	121,755	122,272	126,792	137,438	123,252	0	0	0	0	0	0	0
Yowlumne Sec. 4	8,356	6,497	8,429	12,005	14,112	0	0	0	0	0	0	0
Falcon-PoCo	303	263	307	0	349	0	0	0	0	0	0	0
Dcor Total Receipts	0	0	0	520	0	0	0	0	0	0	0	0
Longbow Paloma	0	0	0	0	0	0	0	0	0	0	0	0
SJM Pioneer Canal	1,625	1,500	1,266	1,272	1,360	0	0	0	0	0	0	0
Target Total Receipts	76	248	173	93	98	0	0	0	0	0	0	0
SJFM Ten Section	3,665	0	0	0	1,957	0	0	0	0	0	0	0
Grayson	0	0	0	0	0	0	0	0	0	0	0	0
Grayson South	660	707	841	312	36	0	0	0	0	0	0	0
Total Other Gathering	14,685	9,214	11,017	13,683	17,912	0	0	0	0	0	0	0
Total Gathering Receipts	136,440	131,487	137,809	151,119	141,164	0	0	0	0	0	0	0
Rogas Vapors	4,686	2,008	3,695	2,001	1,606	0	0	0	0	0	0	0
Total Production with Rogas Vapors	141,126	133,495	141,504	153,119	142,770	0	0	0	0	0	0	0
Total Gathering Check Meters	139,746	132,833	138,543	148,760	142,291	-	-	-	-	-	-	-
Losses in Gathering Operations	(1,380)	(662)	(2,961)	(4,359)	(479)	-	-	-	-	-	-	-
Value assuming \$4.50/mmbtu	\$ (6,211)	\$ (3,970)	\$ (17,767)	\$ (26,155)	\$ (2,875)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Oxy Total Receipts	156,086	150,547	135,968	0	0	0	0	0	0	0	0	0
Depropanizer O/H Vapor r.r.	0	0	0	0	0	0	0	0	0	0	0	0
HP Storage	6,853	9,696	11,103	8,110	4,805	0	0	0	0	0	0	0
Jiro Compressor	6,215	10,074	6,099	5,413	3,285	0	0	0	0	0	0	0
PSA Reject Gas	1,188	0	1,700	598	1,029	0	0	0	0	0	0	0
Rogas Vapors (Included in Check meter)	4,686	2,008	3,695	2,001	1,606	0	0	0	0	0	0	0
Inergy Total Receipts	18,942	21,778	22,598	16,121	10,725	0	0	0	0	0	0	0
Total Receipts to Proquip (Check)	310,088	303,150	293,414	162,881	151,410	0	0	0	0	0	0	0
Uses												
Master Fuel	0	0	0	0	0	0	0	0	0	0	0	0
Truck Unloading Vapors	3,733	4,627	3,301	6,090	5,531	0	0	0	0	0	0	0
Tank 15 Fuel	217	259	1	1	0	0	0	0	0	0	0	0
Cogen Turbine #1	0	2,949	5,686	7,268	6,439	0	0	0	0	0	0	0
Cogen Burner #1	0	0	0	0	0	0	0	0	0	0	0	0
Cogen Turbine #2	41,848	30,029	22,049	20,597	13,774	0	0	0	0	0	0	0

Cogen Burner #2	7,748	9,320	9,597	12,945	9,382	0	0	0	0	0	0	0
PSA Reject Gas	1,188	0	1,700	598	1,029	0	0	0	0	0	0	0
Buy Back from SoCal	2	19	362	598	102	0	0	0	0	0	0	0
Inergy Total Usage	54,738	47,203	42,697	48,098	36,256	0	0	0	0	0	0	0
Net Receipts/Usage (Check)	255,350	255,947	250,717	114,783	115,154	0	0	0	0	0	0	0
Deliveries												
Residue to SoCal Sales (Custody)	212,400	210,999	207,849	85,456	88,357	0	0	0	0	0	0	0
Proquip NGL Shrink	39,079	38,176	38,739	29,794	23,898	0	0	0	0	0	0	0
Total Deliveries	251,480	249,176	248,588	115,250	112,255	0	0	0	0	0	0	0
Processing Over/ -Short (Check)	-3,871	-6,771	-4,130	488	-2,899	0	0	0	0	0	0	0
	-1.2%	-2.2%	-1.4%	0.3%	-1.9%							
Value assuming \$4.50/mmbtu	\$ (17,418)	\$ (40,627)	\$ (24,777)	\$ 2,805	\$ (17,395)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facility Over/-short	-5,251	-7,433	-7,091	-3,892	-3,378	0	0	0	0	0	0	0
% Over/ -Short After Proquip Production	-1.7%	-2.5%	-2.4%	-2.4%	-2.2%							
SoCal Sales Meter												
SoCal Sales	212,400	210,999	207,849	85,456	88,357	0	0	0	0	0	0	0
Inergy Check, SoCal Sales	207,482	206,247	202,823	82,087	85,640	0	0	0	0	0	0	0
Gain/-loss	4,918	4,752	5,027	3,369	2,717							
	2.3%	2.3%	2.4%	3.9%	3.1%							

YTD
Total

0
0
0
238,752
50,516
28,055
6,325
-11,399
592
-5,872
0
326,539
631,507
49,399
1,223
520
0
7,022
689
5,622
0
2,556
66,511
698,018

13,996
712,014

702,173
(9,841)
-1.4%
\$ (59,048)

442,602

0
40,568
31,085
4,515
13,996
90,164

1,220,943

0
23,282
478
22,342
0
128,297

48,993

1,084

228,992

991,951

805,061

169,687

974,748

-17,203

-1.4%

\$ (103,217)

-27,044

-2.2%

Appendix D
Calculations

ppm=>btu

	SELECTION #
COAL (ANTHRACITE)	0
COAL (BITUMINOUS)	1
COAL (LIGNITE)	2
OIL (CRUDE, RESIDUAL, OR DISTILLATE)	3
GAS (NATURAL)	4
GAS (PROPANE)	5
GAS (BUTANE)	6
WOOD	7
WOOD BARK	8
MUNICIPAL SOLID WASTE	9

STANDARD O2 CORRECTION FOR EXTERNAL COMBUSTION IS 3%	
Type of fuel (use table above)	4 GAS
O2 correction (i.e., 3%)	15 %
Enter concentrations	
NOx	11 ppmv
CO	941 ppmv
VOC (as methane)	5 ppmv

CALCULATED EQUIVALENT LB/MMBTU VALUES	
NOx	0.0405 LB/MMBTU
CO	2.1099 LB/MMBTU
VOC (as methane)	0.0064 LB/MMBTU

pV = R*T	
pressure (p)	1 atm
universal gas constant (R*)	0.7302 atm-scf/lbmole-oR
temperature (oF)	60 oF
calculated	
molar specific volume (V)	379.5 scf/lbmole
Molecular weights	
NOx	46 lb/lb-mole
CO	28 lb/lb-mole
VOC (as methane)	16 lb/lb-mole

F FACTORS FROM EPA METHOD 19		
COAL (ANTHRACITE)	10100 DSCF/MMBTU	COAL
COAL (BITUMINOUS)	9780 DSCF/MMBTU	COAL
COAL (LIGNITE)	9860 DSCF/MMBTU	COAL
OIL (CRUDE, RESIDUAL, OR DISTILLATE)	9190 DSCF/MMBTU	OIL
GAS (NATURAL)	8710 DSCF/MMBTU	GAS
GAS (PROPANE)	8710 DSCF/MMBTU	GAS
GAS (BUTANE)	8710 DSCF/MMBTU	GAS
WOOD	9240 DSCF/MMBTU	WOOD
WOOD BARK	9600 DSCF/MMBTU	WOOD BARK
MUNICIPAL SOLID WASTE	9570 DSCF/MMBTU	SOLID WASTE
F FACTOR USED IN CALCULATIONS	8710 DSCF/MMBTU	GAS

Fuel used (MMBtu)			Average Monthly Fuel use
2008	2009	2010	
January	984	442	713.0
February	408	202	305.0
March	228	289	258.5
April	638	1842	1,140.0
May	1351	1842	1,485.5
June	1264	982	1,123.0
July	2401	726	1,583.5
August	798	245	521.5
September	73	453	263.0
October	88	217	152.5
November	100	245	172.5
December	587	1	294.0

Emission factors

NOx	11 ppm	0.0405 lb/MMBtu
PM10		0.014285 lb/MMBtu
VOC	6 ppm	0.0064 lb/MMBtu
CO	941 ppm	2.1099 lb/MMBtu

NOx

	lb/ month	AER lb/qr	10% AQID lb/qr	Available for banking lb/qr
January	29			
February	12	52	5	47
March	10			
April	46			
May	61	152	15	137
June	45			
July	63			
August	21	96	10	86
September	11			
October	8			
November	7	25	3	23
December	12			

VOC

	lb/ month	AER lb/qr	10% AQID lb/qr	Available for banking lb/qr
January	5			
February	2	8	1	7
March	2			
April	7			
May	10	24	2	22
June	7			
July	10			
August	3	15	2	14
September	2			
October	1			
November	1	4	0	4
December	2			

CO

	lb/ month	AER lb/qr	10% AQID lb/qr	Available for banking lb/qr
January	1504			
February	644	2,693	269	2,424
March	545			
April	2405			
May	3157	7,932	793	7,139
June	2369			
July	3289			
August	1100	4,954	495	4,459
September	555			
October	322			
November	384	1,306	131	1,176
December	620			

PM10

	lb/ month	AER lb/qr	10% AQID lb/qr	Available for banking lb/qr
January	10			
February	4	18	2	16
March	4			
April	16			
May	21	54	5	48
June	16			
July	22			
August	7	34	3	30
September	4			
October	2			
November	2	9	1	8
December	4			

Appendix E
Draft ERCs

San Joaquin Valley
Air Pollution Control District

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-3677-1

ISSUED TO: INERGY PROPANE LLC
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: NORTH COLES LEVEE GAS PLANT
9224 TUPMAN RD
TUPMAN, CA 93276
SECTION: NE32 TOWNSHIP: 30S RANGE: 25E

For VOC Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
7 lbs	22 lbs	14 lbs	4 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Replacement of IC engine powering a compressor with an electric motor.

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadeghi, Executive Director / APCD

DRAFT

David Warner, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-3677-2

ISSUED TO: INERGY PROPANE LLC
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: NORTH COLES LEVEE GAS PLANT
9224 TUPMAN RD
TUPMAN, CA 93276
SECTION: NE32 TOWNSHIP: 30S RANGE: 25E

For NOx Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
47 lbs	137 lbs	86 lbs	23 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Replacement of IC engine powering a compressor with an electric motor.

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadeghi, Executive Director / APCD

DRAFT

David Warner, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-3677-3

ISSUED TO: INERGY PROPANE LLC
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: NORTH COLES LEVEE GAS PLANT
9224 TUPMAN RD
TUPMAN, CA 93276
SECTION: NE32 TOWNSHIP: 30S RANGE: 25E

For CO Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
2,424 lbs	7,139 lbs	4,459 lbs	1,175 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Replacement of IC engine powering a compressor with an electric motor.

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Saadoun, Executive Director / APCO

DRAFT

David Warner, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-3677-4

ISSUED TO: INERGY PROPANE LLC
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: NORTH COLES LEVEE GAS PLANT
9224 TUPMAN RD
TUPMAN, CA 93276
SECTION: NE32 TOWNSHIP: 30S RANGE: 25E

For PM10 Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
16 lbs	48 lbs	30 lbs	8 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Replacement of IC engine powering a compressor with an electric motor.

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Saadeh, Executive Director / APCO

DRAFT

David Warner, Director of Permit Services