

**FEDERALLY ENFORCEABLE STATE
OPERATING PERMIT (FESOP)
OFFICE OF AIR MANAGEMENT**

**Northern Indiana Public Service Company
Grass Creek Underground Gas Storage Facility
900 South 100 West
Fulton County , Indiana 46975**

(herein known as the Permittee) is hereby authorized to operate subject to the conditions contained herein, the facilities listed in Section A (Source Summary) of this permit.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 and contains the conditions and provisions specified in 326 IAC 2-8 and 40 CFR Part 70.6 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments) and IC 13-15 and IC 13-17 (prior to July 1, 1996, IC 13-1-1-4 and IC 13-7-10).

Operation Permit No.: F049-5540-00022	
Original issued by Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date: December 12, 1996
First Significant Permit Modification: SMF049-9745	Pages Affected:4, 8, 9, 17,18, 22, 23, 26, 27 and 28
Issued by: Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date:

SECTION A SOURCE SUMMARY

A.1 General Information

The Permittee owns and operates an underground natural gas storage facility.

Responsible Official: James K. Abcouwer
Source Address: 900 South 1100 West, Fulton County, Indiana 46975
Mailing Address: Arthur E. Smith, Jr., Principal Executive & Counsel, Environmental Affairs,
Northern Indiana Public Service Company, 5265 Hohman Avenue,
Hammond, Indiana 46320-1775
SIC Code: 4922
County Location: Fulton County
County Status: Attainment for all criteria pollutants
Source Status: Synthetic Minor Source, FESOP Program

A.2 Emission Units and Pollution Control Summary

The stationary source consists of the following emission units and pollution control devices:

One (1) natural gas underground storage and processing facility consisting of the following:

- (a) Two (2) natural gas dehydrators, identified as GC-12 and GC-13, with a maximum processing capacity each of 100 MMSCFD at 750 PSIG, and exhausting to separate process vents.
- (b) One (1) natural gas-fired pipeline gas heater, identified as GC-10, with a heat input of 20 MMBtu per hour.
- (c) One (1) natural gas-fired emergency generator, identified as GC-1, with a heat input of 1.86 MMBtu per hour, and exhausting to the "Generator Exhaust Stack."
- (d) One (1) natural gas-fired compressor, identified as GC-6, with a heat input of 14 MMBtu per hour, and exhausting to the "Delaval Engine Exhaust Stack."

A.3 Insignificant Activities

This stationary source also includes the following insignificant activities, as defined in 326 IAC 2-7-1(20):

- (1) Natural gas-fired combustion sources with heat input equal to or less than ten million (10,000,000) Btu per hour. Consists of two (2) 2.5 MMBtu per hour dehydrator reboilers on GC-12 and GC-13 and exhausting to separate burner flue stacks identified as GC-12s and GC-13s; and one (1) 1.67 MMBtu per hour boiler, identified as GC-14, providing heat for the main building on site.
- (2) Storage tanks with capacity less than or equal to 1,000 gallons and annual throughput less than 12,000 gallons. Consists of one (1) ethylene glycol storage tank (identified as GC-5) and one (1) triethylene glycol storage tank (identified as GC-11).
- (3) Vessels storing lubricating oils, hydraulic oils, machining oils, and machining fluids. Consists of one (1) 300 gallon waste oil storage tank, identified as GC-2.

A responsible official is defined at 326 IAC 2-7-1(33).

B.12 Annual Compliance Certification [326 IAC 2-8-5(a)(1)]

- (a) The Permittee shall annually certify that the source has complied with the terms and conditions contained in this permit, including emission limitations, standards, and work practices. The certification shall be submitted July 1 to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Air Enforcement Branch - Indiana (AE-17J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

- (b) This annual compliance certification report required by this permit shall be timely if:
- (1) Delivered by U.S. mail and postmarked on or before the date it is due; or
 - (2) Delivered by any other method if it is received and stamped by IDEM, OAM, on or before the date it is due.
- (c) The annual compliance certification report shall include the following:
- (1) The identification of each term and condition of this permit that is the basis of the certification;
 - (2) The compliance status;
 - (3) Whether compliance was continuous or intermittent;
 - (4) The methods used for determining the compliance status of the source, currently and over the reporting period; and
 - (5) Such other facts as IDEM, OAM, may require to determine the compliance status of the source.

B.13 Preventive Maintenance Plan [326 IAC 2-8-4(9)] [326 IAC 1-6-3]

- (a) If required by specific condition(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMP), within ninety (90) days after issuance of this permit, including the following information on each facility:
- (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;

- (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions;
- (3) Identification and quantification of the replacement parts which will be maintained in inventory for quick replacement.

If due to circumstances beyond its control, the PMP cannot be prepared and maintained within the above time frame, the Permittee may extend the date an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

- (b) The Permittee shall implement the Preventive Maintenance Plans as necessary to ensure that lack of proper maintenance does not cause or contribute to a violation of any limitation on emissions or potential to emit.
- (c) PMP's shall be submitted to IDEM, OAM upon request and shall be subject to review and approval by IDEM, OAM.

B.14 Emergency Provision [326 IAC 2-8-12]

- (a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation, except as provided as follows:
 - (1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;
 - (2) The permitted facility was at the time being properly operated;
 - (3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements of this permit;
 - (4) The Permittee notified IDEM, OAM, within four (4) daytime business hours after the beginning of the emergency occurrence by telephone or facsimile;

Telephone No.: 1-800-451-6027 (ask for Office of Air Management) or,
Telephone No.: 317-233-5674
Facsimile No.: 317-233-5967

(5) The Permittee submitted written notice or by facsimile of the emergency to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Management

SECTION C SOURCE OPERATION CONDITIONS

Entire Source

Emissions Limitations [326 IAC 2-8-4(1)]

C.1 Overall Source Limit [326 IAC 2-8]

The purpose of this permit is to limit this source's emissions to less than major source levels for the purpose of Section 502(a) of the Clean Air Act.

- (a) Pursuant to 326 IAC 2-8:
 - (1) The emissions of any regulated pollutant from the entire source shall be limited to less than one-hundred (100) tons per year;
 - (2) The emissions of any individual hazardous air pollutant (HAP) from the entire source shall be limited to less than ten (10) tons per year; and
 - (3) The emissions of any combination of HAPs from the entire source shall be limited to less than twenty-five (25) tons per year.
- (b) This condition shall include all emission points at this source including those that are insignificant as defined in 326 IAC 2-7-1(21). The source shall be allowed to add insignificant activities not already listed in the permit, provided that the source's emissions do not exceed the above specified limits.
- (c) Section D of this permit contains independently enforceable provisions to satisfy this requirement.

C.2 Opacity

Pursuant to 326 IAC 5-1-2 (Visible Emissions Limitations), except as provided in 326 IAC 5-1-3 (Temporary Exemptions), visible emissions shall meet the following:

- (a) Visible emissions shall not exceed an average of 40% opacity in 24 consecutive readings,
- (b) Visible emissions shall not exceed 60% opacity for more than a cumulative total of 15 minutes (60 readings) in a 6-hour period.

C.3 Open Burning

The Permittee shall not open burn any material except as provided in 326 IAC 4-1-3, 326 IAC 4-1-4 or 326 IAC 4-1-6.

C.4 Fugitive Dust Emissions

The Permittee shall be in violation of 326 IAC 6-4 if any of the criteria specified in 326 IAC 6-4-2 (1) through (4) are violated.

C.5 Operation of Equipment [326 IAC 2-8-5(a)(4)]

- (a) All equipment that potentially might emit pollutants into the ambient air shall be properly operated and maintained.
- (b) Unless otherwise stated in this permit, all air pollution control equipment listed in this permit shall be operated at all times that the emission unit(s) vented to the control equipment is in operation.
- (c) The Permittee shall perform all necessary maintenance and make all necessary attempts to keep all air pollution control equipment in proper operating condition at all times.

Testing [326 IAC 2-8-4(3)]

There are no testing requirements applicable to this source.

Compliance Monitoring [326 IAC 2-8-5(a)(1)]

C.6 Compliance Monitoring [326 IAC 2-8-4(3)]

Compliance with applicable requirements shall be documented in accordance with the provisions of 326 IAC 2-8-4(3). The Permittee shall be responsible for installing any necessary equipment and initiating any additional monitoring no more than 180 days after receipt of this permit. If due to circumstances beyond its control, this schedule cannot be met, the Permittee shall notify:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

in writing, with full justification of the reasons for inability to meet this date and a schedule which it expects to meet. The notification which shall be submitted by the Permittee does not require the certification by the "responsible official" as defined in 326 IAC 2-7-1(C)(33). If a denial of the request is not received before the monitoring is fully implemented, the schedule shall be deemed approved.

C.7 Maintenance of Monitoring Equipment [326 IAC 1-6]

- (a) The Permittee shall perform all necessary maintenance and make all necessary attempts to keep all required monitoring equipment in proper operating condition at all times. In the event that a breakdown of the monitoring equipment occurs, a record shall be made of the times and reasons of the breakdown and efforts made to correct the problem.
- (b) The Permittee shall install, calibrate, quality assure, maintain, and operate all necessary monitors and related equipment. In addition, prompt corrective action shall be initiated whenever indicated.

Corrective Actions [326 IAC 2-8-4(1)] [326 IAC 2-8-5(1)]

C.8 Failure to Take Corrective Action

For each unit for which parametric monitoring is required, appropriate corrective actions as described in the Preventive Maintenance Plan shall be taken when indicated by monitoring information. Failure to take corrective action following an excursion of a surrogate monitoring parameter within the indicated time may constitute a violation of the permit unless taking the corrective action set forth in the Plan would be unreasonable.

After investigating the reason for the excursion, the Permittee may be excused from taking further corrective action for any of the following reasons:

- (a) Providing that prompt action was taken to correct the monitoring equipment, that the monitoring equipment malfunctioned, giving a false reading; or
- (b) The Permittee has determined that the parameters established in the permit conditions

SECTION D.1 FACILITY OPERATION CONDITIONS

- One (1) natural gas underground storage and processing facility consisting of the following:
- (a) Two (2) natural gas dehydrators, identified as GC-12 and GC-13, with a maximum processing capacity each of 100 MMSCFD at 750 PSIG, and exhausting to separate process vents.
 - (b) One (1) natural gas-fired pipeline gas heater, identified as GC-10, with a heat input of 20 MMBtu per hour.
 - (c) One (1) natural gas-fired emergency generator, identified as GC-1, with a heat input of 1.86 MMBtu per hour, and exhausting to the "Generator Exhaust Stack."
 - (d) One (1) natural gas-fired compressor, identified as GC-6, with a heat input of 14 MMBtu per hour, and exhausting to the "Delaval Engine Exhaust Stack"

Emissions Limitations and Standards [326 IAC 2-8-4(1)]

D.1.1 Oxides of Nitrogen

- (a) The combined natural gas fuel usage for the one (1) emergency generator (GC-1) and the one (1) compressor (GC-6) shall be limited to 56.4 MMCF per twelve (12) consecutive month period.
- (b) This natural gas fuel usage limitation is equivalent to NOx emissions of 96 tons per twelve (12) consecutive month period.

D.1.2 Particulate Matter

Pursuant to IAC 326 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating), the gas pipeline heater (GC-10) shall be limited to particulate matter emissions of 0.779 pounds per million BTU heat input.

Compliance Monitoring Requirements [326 IAC 2-8-5(a)(1)]

D.1.3 Preventive Maintenance Plan [326 IAC 2-8-4(9)]

A Preventive Maintenance Plan, in accordance with Condition B.13 of this permit, is required for any gas meters being used to monitor compliance for these facilities.

D.1.4 Testing Requirements [326 IAC 2-8-4(3)]

There are no testing requirements applicable to these facilities.

D.1.5 Record Keeping Requirements

To document compliance with Condition D.1.1, the Permittee shall maintain monthly records of the natural gas fuel usage. The fuel usage shall be determined by use of a gas meter.

D.1.6 Quarterly Reporting Requirements

A quarterly summary to document compliance with operation Condition D.1.1 shall be submitted to the address listed in Condition C.11 (General Reporting Requirements) within thirty (30) days after the end of the quarter being reported. Information on natural gas fuel usage shall be reported on the enclosed forms or their equivalent.

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**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR MANAGEMENT
AIR COMPLIANCE SECTION**

FESOP QUARTERLY REPORT OF MONTHLY NATURAL GAS USAGE

Source Name: Northern Indiana Public Service Company, Grass Creek Underground Gas Storage Facility
Location: 900 South 1100 West, Fulton County, Indiana 46975
FESOP No.: F049-5540-00022
Pollutant: Oxides of Nitrogen (NO_x)
Limit: Combined natural gas fuel usage for GC-1 (emergency generator) and GC-6 (compressor) shall be limited to 56.4 MMCF per 12 consecutive month period.

Year: _____

Month	MMCF Natural Gas Usage This Month	MMCF Natural Gas Usage for Past 12 Months

Submitted By: _____

Title/Position: _____

Signature: _____

Date: _____

Mr. Arthur E. Smith, Jr.
Northern Indiana Public Service Company
Grass Creek Underground Gas Storage Facility
5265 Hohman Avenue
Hammond, Indiana 46320-1775

Re: SMF 049-9745
First Significant Modification to
FESOP 049-5540-00022

Dear Mr. Smith:

Northern Public Service Company, Grass Creek, was issued a permit on December 12, 1996, for an underground natural gas storage facility. A petition for administrative review and for a stay of effectiveness was received on January 2, 1997. Pursuant to the provisions of 326 IAC 2-8-11 a significant modification to this permit is hereby approved as described in the attached Technical Support Document.

The modification consists of the following changes (deleted language appears as ~~strikeouts~~, new language is **bolded**):

(1) General Information A.1

Mailing address: ~~525 West 900 North, Royal Center, Indiana 46978~~
**Arthur E. Smith, Jr., Principal Executive & Counsel,
Environmental Affairs,
Northern Indiana Public Service Company,
5265 Hohman Avenue, Hammond, Indiana 46320-1775**

(2) Condition B.13 Preventive Maintenance Plan

~~(a) The Permittee shall prepare, maintain and implement operation and Preventive Maintenance Plans as necessary including the following information on each:~~

- ~~(1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;~~
- ~~(2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions;~~
- ~~(3) Corrective actions that will be implemented in the event an inspection indicates an out of specification situation;~~
- ~~(4) A time schedule for taking such corrective actions including a schedule for devising additional corrective actions for situations that may not have been predicated; and~~
- ~~(5) Identification and quantification of the replacement parts which will be maintained in inventory for quick replacement.~~

~~(b) Preventive Maintenance Plans shall be submitted to IDEM, OAM, upon request and shall be subject to review and approval by IDEM, OAM.~~

(a) If required by specific conditions(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMP), within ninety (90) days after issuance of this permit, including the following information on each facility:

- (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
- (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions;
- (3) Identification and quantification of the replacement parts which will be maintained in inventory for quick replacement.

If due to circumstances beyond its control, the PMP cannot be prepared and maintained within the above time frame, the Permittee may extend the date an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

(b) The Permittee shall implement the Preventive Maintenance Plans as necessary to ensure that lack of proper maintenance does not cause or contribute to a violation of any limitation on emissions or potential to emit.

(c) PMP's shall be submitted to IDEM, OAM upon request and shall be subject to review and approval by IDEM, OAM.

- (3) Condition C.1, Overall Source Limit
~~Pursuant to 326 IAC 2-8 (FESOP), emissions of any regulated pollutant from the entire source shall not exceed 99 tons per 365 day period. Emissions of hazardous air pollutants (HAPs) shall not exceed 9 tons per 365 day period or 24 tons per 365 day period for any combination of HAPs. Emissions shall include those from all emission points at the source including those that are insignificant as define in 326 IAC 2-7-1(20). The source shall be allowed to add insignificant activities not already listed in this permit, as long as the total emission from the source do not exceed the above specified limits. In the event that any condition in Section D of this permit differs from the above, the most restrictive limit will prevail.~~

The purpose of this permit is to limit this source's emissions to less than major source levels for the purpose of Section 502(a) of the Clean Air Act.

- (a) Pursuant to 326 IAC 2-8:
- (1) The emissions of any regulated pollutant from the entire source shall be limited to less than one-hundred (100) tons per year;

- (2) **The emissions of any individual hazardous air pollutant (HAP) from the entire source shall be limited to less than ten (10) tons per year; and**
- (3) **The emissions of any combination of HAPs from the entire source shall be limited to less than twenty-five (25) tons per year.**
- (b) **This condition shall include all emission points at this source including those that are insignificant as defined in 326 IAC 2-7-1(21). The source shall be allowed to add insignificant activities not already listed in the permit, provided that the source's emissions do not exceed the above specified limits.**
- (c) **Section D of this permit contains independently enforceable provisions to satisfy this requirement.**

(4) Condition C.7 Maintenance of Monitoring Equipment

~~The Permittee shall install, calibrate, quality assure, maintain, and operate all necessary monitors and related equipment. Preventive Maintenance plans of the monitors shall be implemented. In addition prompt correction, as indicated, shall be initiated within the time frames specified, whenever the parameters monitored fall outside of the indicated values.~~

(b) The Permittee shall install, calibrate, quality assure, maintain, and operate all necessary monitors and related equipment. In addition, prompt corrective action shall be initiated whenever indicated.

(5) Condition C.8 Failure to Take Corrective Action

~~For each unit for which parametric monitoring is required, appropriate corrective actions as described in the Compliance Monitoring Plan~~ **Preventive Maintenance Plan** shall be taken when indicated by monitoring information. Failure to take corrective action following an excursion of a surrogate monitoring parameter within the ~~prescribed~~ **indicated** time ~~will~~ **may** constitute a violation of the permit unless taking the corrective action set forth in the Plan would be unreasonable.

(6) Condition D.1.1 Oxides of Nitrogen

~~The combined natural gas fuel usage for the one (1) emergency generator (GC-1) and the one (1) compressor (GC-6) shall be limited as described in either Condition D.1.1(a) or D.1.1(b). However, the basis for record keeping described by Condition D.1.1(a) and D.1.1(b) can be changed only once. A permit amendment, as described in Section B of this permit, is required to return to the original record keeping basis. Regardless of the specific condition chosen, the one (1) gas pipeline heater (GC-10) shall not be operated and therefore the natural gas fuel usage for GC-10 shall be limited to 0 MMCF.~~

~~(a) Combined natural gas fuel usage shall be limited to 51.7 MMCF per 12 consecutive month period. Compliance shall be demonstrated at the end of each month based on the total fuel usage for the most recent 12 month period. This natural gas fuel usage limitation is equivalent to NOx emissions of 88 tons per 12 month total, rolled on a monthly basis, or~~

~~(b) Combined natural gas fuel usage shall be limited to 45.4 MMCF per 364 consecutive day period. Compliance shall be demonstrated at the end of each day based on the total fuel usage for the most recent 365 day period. This natural gas fuel usage limitation is equivalent to NO_x emissions of 96 tons per 365 day period, rolled on a daily basis.~~

~~If the Permittee elects this option, natural gas fuel usage for GC-1 and GC-6 shall be limited during 1997 only such that at the end of each calendar quarter the total fuel usage to date shall not exceed the following amounts. Compliance with these limits shall be demonstrated at the end of each quarter based on the total natural gas fuel usage for the previous period.~~

~~First Quarter fuel usage limited to 0.282 MMCF total.~~

~~First and Second Quarter fuel usage limited to 0.565 MMCF total.~~

~~First through third Quarter fuel usage limited to 25.38 MMCF total.~~

~~First through Fourth Quarter fuel usage limited to 56.4 MMCF total.~~

~~Compliance with the limitations in Condition D.1.1(a) or (b) will make 326 IAC 2-7 (Part 70 Operating Permit Program) not applicable.~~

(a) The combined natural gas fuel usage for the one (1) emergency generator (GC-1) and the one (1) compressor (GC-6) shall be limited to 56.4 MMCF per twelve (12) consecutive month period.

(b) This natural gas fuel usage limitation is equivalent to NO_x emissions of 96 tons per twelve (12) consecutive month period.

(7) D.1.3 Preventive Maintenance Plan

A Preventive Maintenance Plant, in accordance with Condition B.13 of this permit, is required for **any gas meters being used to monitor compliance for these facilities.**

(8) D.1.5 Record Keeping and Reporting Requirements

~~The Permittee shall initially chose Condition D.1.1(a) or Condition D.1.1(b) and the appropriate reporting form. Pursuant to 326 IAC 2-8-5(a)(1), the Permittee shall maintain monthly records of natural gas fuel usage to support any demonstration of compliance with Condition D.1.1(a) or daily records of natural gas fuel usage to support any demonstration of compliance with Condition D.1.1(b). The Permittee may change the initial selection under Condition D.1.1 once during the permit period without notification by IDEM, OAM. If the Permittee elects to switch between Condition D.1.1(a) and D.1.1(b) a second time, a permit amendment must be filed. If Condition D.1.1(b) is chosen, during the first 180 days of the permit or until a gas meter is installed on GC-1, daily fuel usage for this unit shall be calculated based on the hours of operation and fuel usage.~~

To document compliance with Condition D.1.1, the Permittee shall maintain monthly records of the natural gas fuel usage. The fuel usage shall be determined by use of a gas meter.

- (9) D.1.6 Quarterly Reporting
A quarterly summary to document compliance with operation Conditions ~~D.1.1 and D.1.2~~ shall be submitted to the address listed in Condition C.11 (General Reporting Requirements) within thirty (30) days after the end of the quarter being reported. Information on natural gas fuel usage shall be reported on the enclosed forms or their equivalent.
- (10) The following reporting forms have been removed from the permit:
- (a) Quarterly Report of Daily Fuel Usage Form, page 26.
 - (b) Quarterly Report of Fuel Usage for 1997 only, page 27.
- (11) The FESOP Quarterly Report of Monthly Natural Gas Usage has been changed to reflect the new D.1.1 condition.

All other conditions of the permit shall remain unchanged and in effect. Please attach a copy of this modification to the front of the original permit.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter, please contact Karen Purtell, of my staff, at the above address; or by phone at 317-233-2803 or 1-800-451-6027 (ext 3-2803).

Sincerely,

Paul Dubenetzky, Chief
Permits Branch
Office of Air Management

Attachments

klp

cc: File - Fulton County
U.S. EPA, Region V
Fulton County Health Department
Air Compliance Section Inspector -Doug Elliott
Compliance Data Section - Jerri Curless
Administrative and Development - Janet Mobley
Technical Support and Modeling - Nancy Landau

**Indiana Department of Environmental Management
Office of Air Management**

Technical Support Document for First Significant Permit Modification
of the Federally Enforceable State Operating Permit (FESOP)

Source Background and Description

Source Name: Northern Indiana Public Service Company, Grass Creek
Source Location: 900 South 1100 West, Fulton County, Indiana 46975
County: Fulton
Permit No.: F049-5540-00022 Issued: December 12, 1996
Revision No.: SMF 049-9745
SIC Code: 4922
Modification Reviewer: Karen Purtell

History

Northern Public Service Company, Grass Creek, was issued a permit on December 12, 1996, for an underground natural gas storage facility. A petition for administrative review and for a stay of effectiveness was received on January 2, 1997. The following changes were agreed to as the First Significant Modification for this source:

Proposed Changes

The Office of Air Management (OAM) has reviewed a request by Northern Public Service Company, Grass Creek, relating to the requested revisions of their FESOP and is proposing the following changes (deleted language appears as ~~strikeouts~~, new language is **bolded**):

- (1) General Information A.1
Mailing address: ~~525 West 900 North, Royal Center, Indiana 46978~~
**Arthur E. Smith, Jr., Principal Executive & Counsel,
Environmental Affairs,
Northern Indiana Public Service Company,
5265 Hohman Avenue, Hammond, Indiana 46320-1775**

- (2) Condition B.13 Preventive Maintenance Plan
(a) ~~The Permittee shall prepare, maintain and implement operation and Preventive Maintenance Plans as necessary including the following information on each:~~
 - ~~(1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;~~

 - ~~(2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions;~~

 - ~~(3) Corrective actions that will be implemented in the event an inspection indicates an out-of-specification situation;~~

 - ~~(4) A time schedule for taking such corrective actions including a schedule for devising additional corrective actions for situations that may not have been predicated; and~~

- ~~(5) Identification and quantification of the replacement parts which will be maintained in inventory for quick replacement.~~
- ~~(b) Preventive Maintenance Plans shall be submitted to IDEM, OAM, upon request and shall be subject to review and approval by IDEM, OAM.~~
- (a) If required by specific conditions(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMP), within ninety (90) days after issuance of this permit, including the following information on each facility:**
- (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;**
 - (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions;**
 - (3) Identification and quantification of the replacement parts which will be maintained in inventory for quick replacement.**

If due to circumstances beyond its control, the PMP cannot be prepared and maintained within the above time frame, the Permittee may extend the date an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

- (b) The Permittee shall implement the Preventive Maintenance Plans as necessary to ensure that lack of proper maintenance does not cause or contribute to a violation of any limitation on emissions or potential to emit.**
- (c) PMP's shall be submitted to IDEM, OAM upon request and shall be subject to review and approval by IDEM, OAM.**
- (3) Condition C.1, Overall Source Limit**
~~Pursuant to 326 IAC 2-8 (FESOP), emissions of any regulated pollutant from the entire source shall not exceed 99 tons per 365 day period. Emissions of hazardous air pollutants (HAPs) shall not exceed 9 tons per 365 day period or 24 tons per 365 day period for any combination of HAPs. Emissions shall include those from all emission points at the source including those that are insignificant as define in 326 IAC 2-7-4(20). The source shall be allowed to add insignificant activities not already listed in this permit, as long as the total emission from the source do not exceed the above specified limits. In the event that any condition in Section D of this permit differs from the above, the most restrictive limit will prevail.~~

The purpose of this permit is to limit this source's emissions to less than major source levels for the purpose of Section 502(a) of the Clean Air Act.

- (a) Pursuant to 326 IAC 2-8:
- (1) The emissions of any regulated pollutant from the entire source shall be limited to less than one-hundred (100) tons per year;
 - (2) The emissions of any individual hazardous air pollutant (HAP) from the entire source shall be limited to less than ten (10) tons per year; and
 - (3) The emissions of any combination of HAPs from the entire source shall be limited to less than twenty-five (25) tons per year.
- (b) This condition shall include all emission points at this source including those that are insignificant as defined in 326 IAC 2-7-1(21). The source shall be allowed to add insignificant activities not already listed in the permit, provided that the source's emissions do not exceed the above specified limits.
- (c) Section D of this permit contains independently enforceable provisions to satisfy this requirement.
- (4) Condition C.7 Maintenance of Monitoring Equipment
- ~~The Permittee shall install, calibrate, quality assure, maintain, and operate all necessary monitors and related equipment. Preventive Maintenance plans of the monitors shall be implemented. In addition prompt correction, as indicated, shall be initiated within the time frames specified, whenever the parameters monitored fall outside of the indicated values.~~
- (b) **The Permittee shall install, calibrate, quality assure, maintain, and operate all necessary monitors and related equipment. In addition, prompt corrective action shall be initiated whenever indicated.**
- (5) Condition C.8 Failure to Take Corrective Action
- For each unit for which parametric monitoring is required, appropriate corrective actions as described in the ~~Compliance Monitoring Plan~~ **Preventive Maintenance Plan** shall be taken when indicated by monitoring information. Failure to take corrective action following an excursion of a surrogate monitoring parameter within the ~~prescribed~~ **indicated** time ~~will may~~ constitute a violation of the permit unless taking the corrective action set forth in the Plan would be unreasonable.
- (6) Condition D.1.1 Oxides of Nitrogen
- ~~The combined natural gas fuel usage for the one (1) emergency generator (GC-1) and the one (1) compressor (GC-6) shall be limited as described in either Condition D.1.1(a) or D.1.1(b). However, the basis for record keeping described by Condition D.1.1(a) and D.1.1(b) can be changed only once. A permit amendment, as described in Section B of this permit, is required to return to the original record keeping basis. Regardless of the specific condition chosen, the one (1) gas pipeline heater (GC-10) shall not be operated and therefore the natural gas fuel usage for GC-10 shall be limited to 0 MMCF.~~

~~(a) Combined natural gas fuel usage shall be limited to 51.7 MMCF per 12 consecutive month period. Compliance shall be demonstrated at the end of each month based on the total fuel usage for the most recent 12 month period. This natural gas fuel usage limitation is equivalent to Nox emissions of 88 tons per 12 month total, rolled on a monthly basis, or~~

~~(b) Combined natural gas fuel usage shall be limited to 45.4 MMCF per 364 consecutive day period. Compliance shall be demonstrated at the end of each day based on the total fuel usage for the most recent 365 day period. This natural gas fuel usage limitation is equivalent to Nox emissions of 96 tons per 365 day period, rolled on a daily basis.~~

~~If the Permittee elects this option, natural gas fuel usage for GC-1 and GC-6 shall be limited during 1997 only such that at the end of each calendar quarter the total fuel usage to date shall not exceed the following amounts. Compliance with these limits shall be demonstrated at the end of each quarter based on the total natural gas fuel usage for the previous period.~~

~~First Quarter fuel usage limited to 0.282 MMCF total.~~

~~First and Second Quarter fuel usage limited to 0.565 MMCF total.~~

~~First through third Quarter fuel usage limited to 25.38 MMCF total.~~

~~First through Fourth Quarter fuel usage limited to 56.4 MMCF total.~~

~~Compliance with the limitations in Condition D.1.1(a) or (b) will make 326 IAC 2-7 (Part 70 Operating Permit Program) not applicable.~~

(a) The combined natural gas fuel usage for the one (1) emergency generator (GC-1) and the one (1) compressor (GC-6) shall be limited to 56.4 MMCF per twelve (12) consecutive month period.

(b) This natural gas fuel usage limitation is equivalent to NOx emissions of 96 tons per twelve (12) consecutive month period.

(7) D.1.3 Preventive Maintenance Plan

A Preventive Maintenance Plant, in accordance with Condition B.13 of this permit, is required for **any gas meters being used to monitor compliance for these facilities.**

(8) D.1.5 Record Keeping and Reporting Requirements

~~The Permittee shall initially chose Condition D.1.1(a) or Condition D.1.1(b) and the appropriate reporting form. Pursuant to 326 IAC 2-8-5(a)(1), the Permittee shall maintain monthly records of natural gas fuel usage to support any demonstration of compliance with Condition D.1.1(a) or daily records of natural gas fuel usage to support any demonstration of compliance with Condition D.1.1(b). The Permittee may change the initial selection under Condition D.1.1 once during the permit period without notification by IDEM, OAM. If the Permittee elects to switch between Condition D.1.1(a) and D.1.1(b) a second time, a permit amendment must be filed. If Condition D.1.1(b) is chosen, during the first 180 days of the permit or until a gas meter is installed on GC-1, daily fuel usage for this unit shall be calculated based on the hours of operation and fuel usage.~~

To document compliance with Condition D.1.1, the Permittee shall maintain monthly records of the natural gas fuel usage. The fuel usage shall be determined by use of a gas meter.

- (9) D.1.6 Quarterly Reporting
A quarterly summary to document compliance with operation Conditions D.1.1 ~~and D.1.2~~ shall be submitted to the address listed in Condition C.11 (General Reporting Requirements) within thirty (30) days after the end of the quarter being reported. Information on natural gas fuel usage shall be reported on the enclosed forms or their equivalent.
- (10) The following reporting forms have been removed from the permit:
- (a) Quarterly Report of Daily Fuel Usage Form, page 26.
 - (b) Quarterly Report of Fuel Usage for 1997 only, page 27.
- (11) The FESOP Quarterly Report of Monthly Natural Gas Usage has been changed to reflect the new D.1.1 condition.

Enforcement Issue

None

Recommendation

The staff recommends to the Commissioner that the modification be approved.

Information, unless otherwise stated, used in this review was derived from the application and additional information submitted by the applicant.

Emission Calculations

No new calculations were made for this modification.

Total Potential and Allowable Emissions

See Technical Support Document of original FESOP.

Federal Rule Applicability

There are no changes in Federal rule applicability from the original FESOP.

State Rule Applicability

There are no changes in State rule applicability from the original FESOP.

Compliance Monitoring

The Permittee shall maintain monthly records of the natural gas fuel usage for the one (1) emergency generator (GC-1) and the one (1) compressor (GC-6).

Air Toxic Emissions

There are no changes in the air toxic emissions due to this modification.

Conclusion

The modification of this source will be subject to the conditions of the attached proposed FESOP Significant Modification Permit No.: SMF 049-9745.

Indiana Department of Environmental Management Office of Air Management

Addendum to the Technical Support Document for First Significant Permit Modification of the Federally Enforcement State Operating Permit (FESOP)

Source Name: Northern Indiana Public Service Company, Grass Creek
Source Location: 900 South 100 West, Fulton County, Indiana 46975
County: Fulton
Permit No.: F049-5540-00022 Issued: December 12, 1996
Revision No.: SMF 049-9745
SIC Code: 4922
Modification Reviewer: Karen Purtell

On December 23, 1998, the Office of Air Management (OAM) had a notice published in the Rochester Sentinel, Rochester, Indiana, stating that Northern Indiana Public Service, Grass Creek, made application to the Indiana Department of Environmental Management, (IDEM), OAM for a Significant Permit Modification to its Federally Enforceable State Operating Permit (FESOP) for an under ground natural gas storage facility. The notice also stated that OAM proposed to issued the Significant Permit Modification and provided information on how the public could review the proposed significant permit modification and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this permit should be issued as proposed.

January 26, 1999, NIPSCO, Grass Creek, submitted comment on the proposed Significant Permit Modification.

Comment:

NIPSCO, Grass Creek, is concerned that we have not had the opportunity to review a complete FESOP document that incorporates the proposed changes to the existing FESOP. We would like to have the opportunity to do so prior to its finalization to verify that there have not been any other changes to any of the permit terms or conditions.

Response:

NIPSCO, Grass Creek, has a copy of their original FESOP, issued on December 12, 1996. The only pages from the original FESOP that have been changed are those included in the Significant Permit Modification. NIPSCO, Grass Creek, should attach a copy of the Significant Permit Modification to the original FESOP and replace the pages in the original FESOP with the pages included in the significant permit modification.