Mr. Arthur E. Smith, Jr. Northern Indiana Public Service Company Royal Center 5265 Hohman Avenue Hammond, Indiana 46320-1775

Re: SMF 017-9746

First Significant Modification to **FESOP 017-5541-00026**

Dear Mr. Smith:

Northern Public Service Company, Royal Center, was issued a permit on December 11, 1996, for an underground storage field and natural gas processing plant. A petition for administrative review and for a stay of effectiveness was received on December 30, 1996. 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) Emission Units and Pollution Control Summary, A.2
 - (f) Dehydration reboilers process vents (**RC-39** #3, #4, and #5)
- (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 din 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;

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- (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.9 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

 A maximum natural gas consumption limit for the Emergency Generator (RC-2),

 Compressor Engine (TLA4), Compressor Engine (TLA3), of 55 million cubic feet per 365 consecutive day period, rolled on a daily basis. Compliance shall be demonstrated at the end of each day based on the total fuel usage for the most recent 365 day period.

For calendar year 1997 only, (or until the first 365 day total, or equivalent is available) the natural gas fuel usage for RC 2, RC 9 (TLA4), and RC 10 (TLA3) shall be limited on a quarterly basis as follows:

First Quarter: fuel usage limited to 52.25 million cubic feet total

First Quarter and Second Quarter: fuel usage limited to 53.35 million cubic feet total

First Quarter through Third Quarter: fuel usage limited to 53.9 million cubic feet total First Quarter through Forth Quarter: fuel usage limited to 55 million cubic feet total

Compliance will be demonstrated at the end of each quarter based on the total natural gas fuel usage for the previous period. Note: During the first 180 days of the permit or until a gas meter is installed on (RC-2) and (TLA3 and TLA4), daily fuel usage for these units shall be calculated from the hours of operation and fuel usage.

Compliance with the limitations in Condition D.1.1 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 (RC-2), and the two compressor engines (TLA3 and TLA4) shall be limited to 55 MMCF per twelve (12) consecutive month period.
- (b) This natural gas fuel usage limitation is equivalent to NOx emissions of 93.5 tons per twelve (12) consecutive month period.
- (7) D.1.2 <u>Preventive Maintenance Plan</u>
 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.1.3 Record Keeping and Reporting Requirements

 Pursuant to 326 IAC 2-8-5(a)(1), the Permittee shall maintain daily records of natural gas
 fuel usage to support any demonstration of compliance with Condition D.1.1. During the
 first 180 days of the permit or until a gas meter is installed on RC-2, TLA3, and TLA4;
 daily fuel usage for these units 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.1.4 Natural Cas Fuel Usage

That the Permittee shall maintain records at the source of the amount of natural gas fuel used in the combustion sources. The records shall be complete and sufficient to establish compliance with the natural gas fuel limits established in this permit. The records shall contain a minimum of the following:

- (a) Calendar dates covered in the monthly report;
- (b) Actual fuel usage in million cubic feet.

(10) D.2.1 Oxides of Nitrogen

A maximum natural gas consumption limit for the Reboilers for dehydration (RC-36, RC-37 and RC-38), and desulfurizer Flaring Stacks (RC-40, RC-41, RC-42) and two (2) Strippers with natural gas desulfurizer Flaring Stacks (RC-30 #1 and #2) of 91 million cubic feet per 365 day period, rolled on a daily basis. Compliance shall be demonstrated at the end of each day based on the total fuel usage for the most recent 365 days.

For calendar year 1997 only, (or until the first 365 day total, or equivalent is available) the natural gas fuel usage for Reboilers for dehydration (RC-36, RC-37 and RC-38) and desulfurization (RC-40, RC-41, RC-42) and two (2) strippers with natural gas desulfurizer Flaring Stacks (RC-30 #1 and #2) shall be limited on a quarterly basis as follows:

First Quarter: fuel usage limited to 74.62 million cubic feet total

First Quarter and second quarter: fuel usage limited to 76.44 million cubic feet total

First Quarter through third quarter: fuel usage limited to 76.44 million cubic feet total

First Quarter through forth quarter: fuel usage limited to 91 million cubic feet total

Compliance will be demonstrated at the end of each quarter based on the total natural gas fuel usage for the previous period. Note: During the first 180 days of the permit or until a gas meter is installed on Rebeilers for dehydration (RC-36, RC-37 and RC-38), and desulfurization (RC-40, RC-41, RC-42) and two (2) Strippers with natural gas desulfurizer Flaring Stacks (RC-30 #1 and #2), daily fuel usage for this unit shall be calculated from the hours of operation and the fuel usage.

Compliance with the limitations in Condition D.2.1 will make 326 IAC 2-7 (Part 70 Operating Permit Program) not applicable.

- (a) The combined natural gas fuel usage for the three (3) reboilers for dehydration (RC-36, RC-37 and RC-38), the three (3) reboilers for desulfurization (RC-40, RC-41, and RC-42) and the two (2) strippers with natural gas fired desulfurizer flaring stacks (RC-30 #1 and #2) shall be limited to 102 MMCF per twelve (12) consecutive month period.
- (b) This natural gas fuel usage limitation is equivalent to NOx emissions of 5.1 tons per twelve (12) consecutive month period.
- (11) D.2.3 <u>Preventive Maintenance Plan</u>
 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**.
- (12) D.2.4 Record Keeping and Reporting Requirements
 Pursuant to 326 IAC 2-8-5(a)(1), the Permittee shall maintain daily records of natural gas
 fuel usage to support any demonstration of compliance with Condition D.2.1. During the
 first 180 days of the permit or until a gas meter is installed on Reboilers for dehydration
 (RC-36, RC-37, and RC-38) and desulfurization (RC-40, RC-41, RC-42) and two (2)
 Strippers with natural gas desulfurizer Flaring Stacks (RC-30 #1 and #2); daily fuel
 usage for these units shall be calculated based on the hours of operation and fuel usage.

To document compliance with Condition D.2.1, the Permittee shall maintain monthly records of the natural gas fuel usage. The fuel usage shall be determined by use of a gas meter.

(13) D.2.5 Natural Gas Fuel Usage

That the Permittee shall maintain records at the source of the amount of natural gas fuel used in the combustion sources. The records shall be complete and sufficient to establish compliance with the natural gas fuel limits established in this permit. The records shall contain a minimum of the following:

(a) Calendar dates covered in the monthly report;

Actual fuel usage in million cubic feet (14)D.3.1 Sulfur Dioxide (SO2) That the Permittee shall maintain records at the facility of the amount of process gas (acid gas) treated in the desulfurizer/stripper units. The records shall be complete and sufficient to establish compliance with the SO2 emission limits that may be established in this permit. (b) The combined maximum amount of process gas (acid gas) treated through the desulfurization system utilizing Flaring Stacks (RC-30)(#1and #2) is limited to 28.230 million cubic feet per 365 day period, rolled daily. Compliance shall be demonstrated at the end of each day based on the total fuel usage for the most recent 364 days. For calendar year 1997 only, (or until the first 365 day total, or equivalent is available) the process gas (acid gas) treated for Flaring Stacks (RC-30)(#1 and #2) usage shall be limited on a quarterly basis as follows: First Quarter: processed gas limited to 23,148.6 million cubic feet total First Quarter and second quarter: processed gas limited to 23,713.2 million cubic feet total First Quarter through third quarter: processed gas limited to 23,713.2 million eubic feet total First Quarter through forth quarter: processed gas limited to 28,230 million cubic feet total. Compliance will be demonstrated at the end of each quarter based on the total process gas treated for the previous period. Note: During the first 180 days of the permit or until a process gas meter is installed on RC-30, daily process gas treated for this unit shall be calculated from the hours of operation and process gas (acid gas) treated. Compliance with the limitations in Condition D.3.1 will make 326 IAC 2-7 (Part 70 Operating Permit Program) not applicable. (a) That the Permittee shall maintain records at the facility of the amount of process gas (acid gas) processed in the desulfurizer flaring stacks. The records shall be complete and sufficient to establish compliance with the SO2 emission limits that may be established in this permit.

- (b) The combined maximum amount of process gas (acid gas) treated through the desulfurization system utilizing Flaring Stacks (RC-30 #1 and #2) is limited to 28,230 million cubic feet per twelve (12) consecutive month period.
- (15) D.3.2 <u>Preventive Maintenance Plan</u>
 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**.

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Permit Reviewer: Karen Purtell SMF 017-9746

(16) D.3.3 Record Keeping and Reporting Requirements

Pursuant to 326 IAC 2-8-5(a)(1), the Permittee shall maintain daily records of process gas treated to support any demonstration of compliance with Condition D.3.1. During the first 180 days of the permit or until a gas meter is installed on Flaring Stacks (RC-30)(#1 and #2); the daily amount of process gas (acid gas) treated for these units shall be calculated based on the hours of operation and process gas (acid gas) treated.

To document compliance with Condition D.3.1, the Permittee shall maintain monthly records of the process gas treated.

(17) D.3.4 Acid Gas Processed

That the Permittee shall maintain records at the source of the amount of acid gas processed. The records shall be complete and sufficient to establish compliance with the sulfur dioxide limit established in this permit. The records shall contain a minimum of the following:

- (a) Calendar dates covered in the monthly report;
- (b) Actual acid gas processed in million cubic feet
- (18) The following reporting forms have been removed from the permit:
 - (a) Quarterly Report of Daily Fuel Usage Form, page 28.
 - (b) Quarterly Report of Daily Fuel Usage Form, page 29.
 - (c) Quarterly Report of Daily Process Gas Usage Form, page 30
- (19) The FESOP Quarterly Report of Monthly Natural Gas Usage Forms, pages 31, 32 and the FESOP Quarterly Report of Monthly Process Gas Usage, page 33 have been changed to reflect the new D.1.1, D.2.1 and D.3.1 conditions.

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 - Cass County

U.S. EPA, Region V

Cass County Health Department

Air Compliance Section Inspector - Ryan Hillman

Compliance Data Section - Jerri Curless

Administrative and Development - Janet Mobley

Technical Support and Modeling - Nancy Landau

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

Northern Indiana Public Service Company (Royal Center) 525 West 900 North Royal Center, Indiana 46978

(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.: F017-5541-00026			
Original issued by Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date: December 11, 1996		
First Significant Permit Modification: SMF017- 9746	Pages Affected:4, 15, 16, 19, 20, 21, 22, 23, 24, 28, 29, 30, 31, 32 and 33		
Issued by: Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date:		

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Royal Center, Indiana

Permit Reviewer: Tena Hopkins

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Modification Reviewer: Karen Purtell FESOP No. 017-5541-00026

SECTION A SOURCE SUMMARY

A.1 General Information [326 IAC 2-8-3(c)]

The Permittee owns and operates an underground storage field and natural gas processing plant.

Responsible Official: James K. Abcouwer

Source Address: 525 West 900 North, Royal Center, Indiana 46978

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: Cass 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:

- (1) One (1) natural gas processing plant consisting of the following facilities:
 - (a) One (1) natural gas fueled Emergency Generator (RC-2), Heat input: 7 million British thermal units per hour;
 - (b) Two (2) natural gas fueled reciprocating engine compressors (TLA4, TLA3), combined Heat input: 30.8 million British thermal units per hour:
 - (c) Two (2) Strippers with natural gas fired desulfurizer Flaring Stacks (RC-30 #1 and #2) with a combined heat input: 0.94 million British thermal units per hour;
 - (d) Three (3) natural gas fueled Reboilers for Dehydration (RC-36, RC-37, RC-38), combined Heat input: 9 million British thermal units per hour;
 - (e) Three (3) natural gas fueled Reboilers for Desulfurization (RC-40, RC-41, RC-42), combined Heat input: 27 million British thermal units per hour:
 - (f) Dehydration reboilers process vents (RC-39 #3, #4, and #5)

A.3 Insignificant Activities

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

- (a) Three (3) natural gas fueled boilers (RC-45, RC-51, RC-52), combined Heat input: 2.17 million British thermal units per hour;
- (b) Storage tanks with capacity less than or equal to 1,000 gallons and annual throughputs less than 12,000 gallons;
- (c) Vessels storing lubricating oils, hydraulic oils, machining oils, and machining fluids.

A.4 FESOP Applicability [326 IAC 2-8-2]

This stationary source, otherwise required to have a Part 70 permit as described in 326 IAC 2-7-2(a), has applied to Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM) for a Federally Enforceable State Operating Permit (FESOP).

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SECTION C SOURCE OPERATION CONDITIONS

Entire Source

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

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.

- Pursuant to 326 IAC 2-8: (a)
 - 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
 - The emissions of any combination of HAPs from the entire source shall be (3)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:

- Visible emissions shall not exceed an average of 40 percent opacity in 24 consecutive (a) readings,
- (b) Visible emissions shall not exceed 60 percent 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)]

All equipment that potentially might emit pollutants into the ambient air shall be properly operated and maintained.

Northern Indiana Public Service Co., Royal Center First Significant Permit Modification SMF017-9746 Royal Center, Indiana

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(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.

The Permittee shall perform all necessary maintenance and make all necessary attempts to (c) keep all air pollution control equipment in proper operating condition at all times.

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 one hundred eighty (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 by 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]

- 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.

C.8 Monitoring Methods [326 IAC 3]

Any monitoring or testing performed to meet the requirements of this permit shall be performed, whenever applicable according to the provisions of 326 IAC 3, or 40 CFR Part 60, Appendix A, as appropriate, unless some other method is specified in this permit.

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

C.9 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.

Royal Center, Indiana

Northern Indiana Public Service Co., Royal Center First Significant Permit Modification SMF017-9746 Modification Reviewer: Karen Purtell

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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 are technically inappropriate, has previously submitted a request for an administrative amendment to the permit, and such request has not been denied; or

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SECTION D.1 **FACILITY OPERATION CONDITIONS**

The following reciprocating internal combustion sources:

- One (1) natural gas fueled Emergency Generator (RC-2), Heat input: 7 million British thermal units per hour;
- (b) Two (2) natural gas fueled reciprocating engine compressors (TLA4, TLA3), combined Heat input: 30.8 million British thermal units per hour;

with the following insignificant activities:

- Three (3) natural gas fueled boilers (RC-45, RC-51, RC-52), combined Heat input: 2.17 million British thermal units per hour;
- Storage tanks with capacity less than or equal to 1,000 gallons and annual (b) throughputs less than 12,000 gallons;
- Vessels storing lubricating oils, hydraulic oils, machining oils, and machining fluids. (c)

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

Oxides of Nitrogen D.1.1

- The combined natural gas fuel usage for the one (1) emergency generator (RC-2), and the two compressor engines (TLA3 and TLA4) shall be limited to 55 MMCF per twelve (12) consecutive month period.
- This natural gas fuel usage limitation is equivalent to NOx emissions of 93.5 tons per (b) twelve (12) consecutive month period.

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

D.1.2 Preventive Maintenance

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.

Record Keeping and Reporting Requirements [326 IAC 2-8-4(3)]

D.1.3 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.1.4 Quarterly Reporting Requirements

That a quarterly summary to document compliance with operation condition number D.1.1 shall be submitted to the address listed in Section C- General Reporting Requirements, using the enclosed forms or their equivalent, within thirty (30) days after the end of the quarter being reported.

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THIS PAGE WAS INTENTIONALLY LEFT BLANK TO MATCH THE PAGE NUMBERING IN THE **ORIGINAL PERMIT.**

Modification Reviewer: Karen Purtell

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SECTION D.2

FACILITY OPERATION CONDITIONS

The following external combustion sources:

- Three (3) natural gas fueled Reboilers for Dehydration (RC-36, RC-37, RC-38), (a) combined Heat input: 9 million British thermal units per hour;
- Three (3) natural gas fueled Reboilers for Desulfurization (RC-40, RC-41, RC-42), (b) combined Heat input: 27 million British thermal units per hour; and
- Two (2) Strippers with natural gas fired desulfurizer Flaring Stacks (RC-30 #1 and (c) #2), with a combined Heat input: 0.94 million British thermal units per hour.

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

D.2.1 Oxides of Nitrogen

- (a) The combined natural gas fuel usage for the three (3) reboilers for dehydration (RC-36, RC-37 and RC-38), the three (3) reboilers for desulfurization (RC-40, RC-41, and RC-42) and the two (2) strippers with natural gas fired desulfurizer flaring stacks (RC-30 #1 and #2) shall be limited to 102 MMCF per twelve (12) consecutive month period.
- (b) This natural gas fuel usage limitation is equivalent to NOx emissions of 5.1 tons per twelve (12) consecutive month period.

Particulate Matter D.2.2

- That pursuant to 326 IAC 6-2-3(d), the particulate matter (PM) emissions from the (a) combined 37 million British thermal units per hour boilers shall be limited to 0.8 pounds per million British thermal units. The limited PTE is 36.4 tons per year.
- This source is subject to 326 IAC 5-1-2 (Visible Emission Limitations) because it emits (b) particulate matter. Pursuant to this rule, except as provided in 326 IAC 5-1-3 (Temporary Exemptions), the 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.

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

D.2.3 Preventive Maintenance

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.

Record Keeping and Reporting Requirements [326 IAC 2-8-4(3)]

D.2.4 Record Keeping Requirements

To document compliance with Condition D.2.1, the Permittee shall maintain monthly records of the natural gas fuel usage. The fuel usage shall be determined by use of a gas meter.

Northern Indiana Public Service Co., Royal Center First Significant Permit Modification SMF017-9746 Page 22 of 33 Royal Center, Indiana Modification Reviewer: Karen Purtell FESOP No. 017-5541-00026

Permit Reviewer: Tena Hopkins

D.2.5 **Quarterly Reporting Requirements**

That a quarterly summary to document compliance with operation condition number D.2.1 shall be submitted to the address listed in Section C- General Reporting Requirements, using the enclosed forms or their equivalent, within thirty (30) days after the end of the quarter being reported.

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Permit Reviewer: Tena Hopkins

SECTION D.3

FACILITY OPERATION CONDITIONS

The following equipment:

- Two (2) Strippers with desulfurizer Flaring Stacks (RC-30 #1 and #2);
- Dehydration reboilers process vents (RC-39 #3, #4, and #5). b)

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

D.3.1 Sulfur Dioxide (SO2)

- That the Permittee shall maintain records at the facility of the amount of process gas (a) (acid gas) processed in the desulfurizer flaring stacks. The records shall be complete and sufficient to establish compliance with the SO2 emission limits that may be established in this permit.
- (b) The combined maximum amount of process gas (acid gas) treated through the desulfurization system utilizing Flaring Stacks (RC-30 #1 and #2) is limited to 28,230 million cubic feet per twelve (12) consecutive month period.

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

D.3.2 Preventive Maintenance

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.

Record Keeping and Reporting Requirements [326 IAC 2-8-4(3)]

D.3.3 Record Keeping Requirements

To document compliance with Condition D.3.1, the Permittee shall maintain monthly records of the process gas treated.

D.3.4 Quarterly Reporting Requirements

That a quarterly summary to document compliance with operation condition number D.3.1 shall be submitted to the address listed in Section C- General Reporting Requirements, using the enclosed forms or their equivalent, within thirty (30) days after the end of the quarter being reported.

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Permit Reviewer: Tena Hopkins

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Permit Reviewer: Tena Hopkins

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Permit Reviewer: Tena Hopkins

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Northern Indiana Public Service Co., Royal Center First Significant Permit Modification SMF017-9746 Royal Center, Indiana

Modification Reviewer: Karen Purtell

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Permit Reviewer: Tena Hopkins

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

FESOP QUARTERLY REPORT OF MONTHLY NATURAL GAS USAGE

Source Name: Source Address: FESOP No.: Pollutant: Limit:	NIPSCO Royal Center 525 West 900 North, Royal Center, IN 46978 017-5541-00026 Oxides of Nitrogen (NO _X) Combined natural gas fuel usage for the emergency generator (RC-2) and the two (2) compressor engines (TLA3 and TLA4) shall be limited to 55 MMCF per 12 consecutive month period.		
Month	MMCF Natural Gas Usage This Month	MMCF Natural Gas Usage for Past 12 Months	
Subr	nitted By:		
Title/	Position:		
Signa	ature:		
Date	:		

Northern Indiana Public Service Co., Royal Center First Significant Permit Modification SMF017-9746

Royal Center, Indiana Permit Reviewer: Tena Hopkins Modification Reviewer: Karen Purtell

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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:	NIPSCO Royal Center
Source Address:	525 West 900 North, Royal Center, IN 46978
FESOP No.:	017-5541-00026
Pollutant:	Oxides of Nitrogen (NO _x)

Combined natural gas fuel usage for the Reboilers for dehydration (RC-36, RC-Limit: 37, RC-38), Reboilers for desulfurization (RC-40, RC-41, RC-42) and two (2)

Strippers with natural gas desulfurizer Flaring Stacks (RC-30 #1 and #2) shall be limited to 102 million cubic feet per twelve (12) consecutive month period.

Year:_____

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

Submitted By:	<u> </u>
Title/Position:	
Signature:	
Date:	

Northern Indiana Public Service Co., Royal Center First Significant Permit Modification SMF017-9746 Royal Center, Indiana

Date:

Modification Reviewer: Karen Purtell

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Permit Reviewer: Tena Hopkins

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

FESOP QUARTERLY REPORT OF MONTHLY PROCESS GAS USAGE

Source Name: Source Address: FESOP No.: Pollutant: Limit:	NIPSCO Royal Center 525 West 900 North, Royal Center, IN 46978 017-5541-00026 Sulfur Dioxide (SO2) Combined process gas usage for the desulfurization system utilizing Flaring Stacks (RC-30 #1 and #2) and for the process gas (acid gas) shall be limited to 28,230 MMCF per 12 consecutive month period. Year:		
Month	MMCF Process Gas Usage This Month	MMCF Process Gas Usage for Past 12 Months	
	ı		
Subm	itted By:		
Title/P	Position:		
Signat	ture:		

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, Royal Center

Source Location: 525 West 900, Royal Center, Indiana 46978

County: Cass

Permit No.: F017-5541-00026 Issued: December 11, 1996

Revision No.: SMF 017-9746

SIC Code: 4922

Modification Reviewer: Karen Purtell

History

Northern Public Service Company, Royal Center, was issued a permit on December 11, 1996, for an underground storage field and natural gas processing plant. A petition for administrative review and for a stay of effectiveness was received on December 30, 1996. 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, Royal Center, 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) Emission Units and Pollution Control Summary, A.2
 - (f) Dehydration reboilers process vents (**RC-39** #3, #4, and #5)
- (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 din 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.

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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.

- Pursuant to 326 IAC 2-8: (a)
 - The emissions of any regulated pollutant from the entire source (1) 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.
- This condition shall include all emission points at this source including (b) 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.9 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 A maximum natural gas consumption limit for the Emergency Generator (RC-2), Compressor Engine (TLA4), Compressor Engine (TLA3), of 55 million cubic feet per 365 consecutive day period, rolled on a daily basis. Compliance shall be demonstrated at the end of each day based on the total fuel usage for the most recent 365 day period.

Northern Indiana Public Service Company Royal Center Royal Center, Indiana Page 3 of 7 SMF 017-9746 FESOP NO. 017-5541-00026

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For calendar year 1997 only, (or until the first 365 day total, or equivalent is available) the natural gas fuel usage for RC-2, RC-9 (TLA4), and RC-10 (TLA3) shall be limited on a quarterly basis as follows:

First Quarter: fuel usage limited to 52.25 million cubic feet total

First Quarter and Second Quarter: fuel usage limited to 53.35 million cubic feet total First Quarter through Third Quarter: fuel usage limited to 53.9 million cubic feet total First Quarter through Forth Quarter: fuel usage limited to 55 million cubic feet total

Compliance will be demonstrated at the end of each quarter based on the total natural gas fuel usage for the previous period. Note: During the first 180 days of the permit or until a gas meter is installed on (RC-2) and (TLA3 and TLA4), daily fuel usage for these units shall be calculated from the hours of operation and fuel usage.

Compliance with the limitations in Condition D.1.1 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 (RC-2), and the two compressor engines (TLA3 and TLA4) shall be limited to 55 MMCF per twelve (12) consecutive month period.
- (b) This natural gas fuel usage limitation is equivalent to NOx emissions of 93.5 tons per twelve (12) consecutive month period.
- (7) D.1.2 <u>Preventive Maintenance Plan</u> 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.1.3 Record Keeping and Reporting Requirements

 Pursuant to 326 IAC 2-8-5(a)(1), the Permittee shall maintain daily records of natural gas
 fuel usage to support any demonstration of compliance with Condition D.1.1. During the
 first 180 days of the permit or until a gas meter is installed on RC-2, TLA3, and TLA4;
 daily fuel usage for these units 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.1.4 Natural Cas Fuel Usage

That the Permittee shall maintain records at the source of the amount of natural gas fuel used in the combustion sources. The records shall be complete and sufficient to establish compliance with the natural gas fuel limits established in this permit. The records shall contain a minimum of the following:

- (a) Calendar dates covered in the monthly report;
- (b) Actual fuel usage in million cubic feet.

Northern Indiana Public Service Company Royal Center Royal Center, Indiana

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(10) D.2.1 Oxides of Nitrogen

A maximum natural gas consumption limit for the Reboilers for dehydration (RC-36, RC-37 and RC-38), and desulfurizer Flaring Stacks (RC-40, RC-41, RC-42) and two (2) Strippers with natural gas desulfurizer Flaring Stacks (RC-30 #1 and #2) of 91 million cubic feet per 365 day period, rolled on a daily basis. Compliance shall be demonstrated at the end of each day based on the total fuel usage for the most recent 365 days.

For calendar year 1997 only, (or until the first 365 day total, or equivalent is available) the natural gas fuel usage for Reboilers for dehydration (RC-36, RC-37 and RC-38) and desulfurization (RC-40, RC-41, RC-42) and two (2) strippers with natural gas desulfurizer Flaring Stacks (RC-30 #1 and #2) shall be limited on a quarterly basis as follows:

First Quarter: fuel usage limited to 74.62 million cubic feet total

First Quarter and second quarter: fuel usage limited to 76.44 million cubic feet total

First Quarter through third quarter: fuel usage limited to 76.44 million cubic feet total

First Quarter through forth quarter: fuel usage limited to 91 million cubic feet total

Compliance will be demonstrated at the end of each quarter based on the total natural gas fuel usage for the previous period. Note: During the first 180 days of the permit or until a gas meter is installed on Rebeilers for dehydration (RC-36, RC-37 and RC-38), and desulfurization (RC-40, RC-41, RC-42) and two (2) Strippers with natural gas desulfurizer Flaring Stacks (RC-30 #1 and #2), daily fuel usage for this unit shall be calculated from the hours of operation and the fuel usage.

Compliance with the limitations in Condition D.2.1 will make 326 IAC 2-7 (Part 70 Operating Permit Program) not applicable.

- (a) The combined natural gas fuel usage for the three (3) reboilers for dehydration (RC-36, RC-37 and RC-38), the three (3) reboilers for desulfurization (RC-40, RC-41, and RC-42) and the two (2) strippers with natural gas fired desulfurizer flaring stacks (RC-30 #1 and #2) shall be limited to 102 MMCF per twelve (12) consecutive month period.
- (b) This natural gas fuel usage limitation is equivalent to NOx emissions of 5.1 tons per twelve (12) consecutive month period.
- (11) D.2.3 <u>Preventive Maintenance Plan</u>
 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**.
- (12) D.2.4 Record Keeping and Reporting Requirements

 Pursuant to 326 IAC 2-8-5(a)(1), the Permittee shall maintain daily records of natural gas fuel usage to support any demonstration of compliance with Condition D.2.1. During the first 180 days of the permit or until a gas meter is installed on Reboilers for dehydration (RC-36, RC-37, and RC-38) and desulfurization (RC-40, RC-41, RC-42) and two (2)

 Strippers with natural gas desulfurizer Flaring Stacks (RC-30 #1 and #2); daily fuel usage for these units shall be calculated based on the hours of operation and fuel usage.

To document compliance with Condition D.2.1, the Permittee shall maintain monthly records of the natural gas fuel usage. The fuel usage shall be determined by use of a gas meter.

Northern Indiana Public Service Company Royal Center

(b)

month period.

Royal Center, Indiana

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(13)D.2.5 Natural Cas Fuel Usage That the Permittee shall maintain records at the source of the amount of natural gas fuel used in the combustion sources. The records shall be complete and sufficient to establish compliance with the natural gas fuel limits established in this permit. The records shall contain a minimum of the following: Calendar dates covered in the monthly report; Actual fuel usage in million cubic feet (14)D.3.1 Sulfur Dioxide (SO2) That the Permittee shall maintain records at the facility of the amount of process gas (acid gas) treated in the desulfurizer/stripper units. The records shall be complete and sufficient to establish compliance with the SO2 emission limits that may be established in this permit. The combined maximum amount of process gas (acid gas) treated through the desulfurization system utilizing Flaring Stacks (RC-30)(#1and #2) is limited to 28.230 million cubic feet per 365 day period, rolled daily. Compliance shall be demonstrated at the end of each day based on the total fuel usage for the most recent 364 days. For calendar year 1997 only, (or until the first 365 day total, or equivalent is available) the process gas (acid gas) treated for Flaring Stacks (RC-30)(#1 and #2) usage shall be limited on a quarterly basis as follows: First Quarter: processed gas limited to 23,148.6 million cubic feet total First Quarter and second quarter: processed gas limited to 23,713.2 million cubic feet total First Quarter through third quarter: processed gas limited to 23,713.2 million cubic feet total First Quarter through forth quarter: processed gas limited to 28,230 million cubic feet total. Compliance will be demonstrated at the end of each quarter based on the total process gas treated for the previous period. Note: During the first 180 days of the permit or until a process gas meter is installed on RC-30, daily process gas treated for this unit shall be calculated from the hours of operation and process gas (acid gas) treated. Compliance with the limitations in Condition D.3.1 will make 326 IAC 2-7 (Part 70 Operating Permit Program) not applicable. (a) That the Permittee shall maintain records at the facility of the amount of process gas (acid gas) processed in the desulfurizer flaring stacks. The records shall be complete and sufficient to establish compliance with the SO2 emission limits that may be established in this permit.

The combined maximum amount of process gas (acid gas) treated through the desulfurization system utilizing Flaring Stacks (RC-30 #1 and #2) is limited to 28,230 million cubic feet per twelve (12) consecutive

Northern Indiana Public Service Company

Royal Center

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(15)D.3.2 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.

(16)D.3.3 Record Keeping and Reporting Requirements

Pursuant to 326 IAC 2-8-5(a)(1), the Permittee shall maintain daily records of process gas treated to support any demonstration of compliance with Condition D.3.1. During the first 180 days of the permit or until a gas meter is installed on Flaring Stacks (RC-30)(#1 and #2); the daily amount of process gas (acid gas) treated for these units shall be calculated based on the hours of operation and process gas (acid gas) treated.

To document compliance with Condition D.3.1, the Permittee shall maintain monthly records of the process gas treated.

(17)D.3.4 Acid Cas Processed

That the Permittee shall maintain records at the source of the amount of acid gas processed. The records shall be complete and sufficient to establish compliance wit sulfur dioxide limit established in this permit. The records shall contain a minimum of the following:

- Calendar dates covered in the monthly report;
- (b) Actual acid gas processed in million cubic feet
- The following reporting forms have been removed from the permit: (18)
 - Quarterly Report of Daily Fuel Usage Form, page 28. (a)
 - Quarterly Report of Daily Fuel Usage Form, page 29. (b)
 - (c) Quarterly Report of Daily Process Gas Usage Form, page 30
- The FESOP Quarterly Report of Monthly Natural Gas Usage Forms, pages 31, 32 and (19)the FESOP Quarterly Report of Monthly Process Gas Usage, page 33 have been changed to reflect the new D.1.1, D.2.1 and D.3.1 conditions.

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.

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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) natural gas fueled Emergency Generator (RC-2); Two (2) natural gas fueled reciprocating engine compressors (TLA4, TLA3); Three (3) reboilers for desulfurization (RC-40, RC-41 and RC-42); Two (2) strippers (RC-30 #1 and #2); Three (3) reboilers for dehydration (RC-36, RC-37 and RC-38).

The Permittee shall maintain monthly records of the amount of process gas (acid gas) processed in Two (2) strippers (RC-30 #1 and #2).

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 017-9746.

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, Royal Center

Source Location: 525 West 900, Royal Center, Indiana 46978

County: Cass

Permit No.: F017-5541-00026 Issued: December 11, 1996

Revision No.: SMF 017-9746

SIC Code: 4922

Modification Reviewer: Karen Purtell

On December 23, 1998, the Office of Air Management (OAM) had a notice published in the Pharos Tribune, Logansport, Indiana, stating that Northern Indiana Public Service, Royal Center 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, Royal Center, submitted comment on the proposed Significant Permit Modification.

Comment:

NIPSCO, Royal Center, 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, Royal Center has a copy of their original FESOP, issued on December 11, 1996. The only pages from the original FESOP that have been changed are those included in the Significant Permit Modification. NIPSCO, Royal Center, 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.