



STATE OF MISSISSIPPI
HALEY BARBOUR
GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
TRUDY D. FISHER, EXECUTIVE DIRECTOR

March 29, 2011

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Mr. Phillip Maples
MGC Terminal LLC
101 65th Avenue
Meridian, MS 39307

**Re: MGC Terminal LLC
Agreed Order No. 5933 11**

Dear Mr. Maples:

Enclosed you will find a copy of Agreed Order No. 5933 11, which has been executed by the Executive Director of the Mississippi Department of Environmental Quality, Trudy Fisher, on behalf of the Mississippi Commission on Environmental Quality.

The enclosed Order assesses a civil penalty. The penalty payment, when due, should be made by check payable to the Mississippi Department of Environmental Quality and returned in the enclosed, self-addressed envelope to the MDEQ Fees Division at P.O. Box 2339, Jackson, MS 39225.

If you have any questions regarding your obligations under the enclosed order, please contact Jay Barkley at (601) 961-5154.

Sincerely,

A handwritten signature in blue ink that reads "Jerry W. Cain" with a stylized flourish below the name.

Jerry W. Cain, P.E., DEE
Director, Office of Pollution Control

Enclosure
cc: Jay Barkley

Agency Interest No. 5180
ENF20100003

BEFORE THE MISSISSIPPI COMMISSION
ON ENVIRONMENTAL QUALITY

MISSISSIPPI COMMISSION ON
ENVIRONMENTAL QUALITY

COMPLAINANT

VS.

ORDER NO. 5933 11

MGC TERMINAL LLC
101 65TH AVENUE
MERIDIAN, MISSISSIPPI 39307

RESPONDENT

AGREED ORDER

COME NOW the Mississippi Commission on Environmental Quality (Commission), acting through the staff and Executive Director of the Mississippi Department of Environmental Quality (MDEQ), Complainant, and MGC Terminal LLC (MGC), Respondent, in the above captioned cause and agree as follows:

1.

By letter dated January 11, 2010, Respondent was contacted by Complainant and notified of the following violation(s) at its facility located at 101 65th Avenue, Meridian, Mississippi in Lauderdale County:

- A. MGC is delinquent in demonstrating initial compliance with 40 CFR 60, New Source Performance Standards, Subpart NNN for Emission Point AB-022, the Methanol Recovery System. The Methanol Recovery System is part of the Biodiesel Production Facility located at MGC's Meridian Bulk Petroleum Terminal and must be operated whenever the Biodiesel Production Facility is operating. 40 CFR §60.8(a) and Conditions 3.B.24 and 5.B.28 of MGC's Title V Operating Permit No. 1460-00009 issued September 22, 2005 and modified October 7, 2008 (the "Permit"), require demonstration of initial compliance within 180 days of startup. MGC reported March 25, 2009, as the startup date for

the methanol recovery unit. The initial compliance deadline was September 21, 2009 (180 days from startup). 40 CFR §60.662 and Condition 3.B.24 of the Permit require compliance with either of three emission standards. On August 19, 2009, MGC conducted stack testing for the purpose of demonstrating initial compliance with the Total Organic Compound (TOC) standard of 40 CFR §60.662(a) and Condition 3.B.24(a) of the Permit. The test results revealed an average TOC emissions reduction of 68%, which is below the required 98% reduction. According to correspondence from MGC dated August 17, 2010, and October 18, 2010, MGC attempted repairs and modifications to achieve compliance but was unable to do so by the initial compliance deadline, continued to operate intermittently while attempting to achieve compliance until early November when the unit essentially ceased operation, and the unit was operated on a few occasions in March through September of 2010, for the purpose of testing modifications. There have been no reported operations since September of 2010.

Failure to demonstrate initial compliance within 180 days of startup of Emission Point AB-022, the Methanol Recovery System, is a violation of 40 CFR §60.8(a) and Conditions 3.B.24 and 5.B.28 of the Permit.

2.

In lieu of a formal enforcement hearing concerning the violation(s) listed above, Complainant and Respondent agree to settle this matter as follows:

- A. Respondent agrees to pay and Complainant agrees to accept a civil penalty in the amount of \$15,000. Respondent shall pay this penalty to MDEQ within thirty (30) days after this Agreed Order has been executed by the MDEQ Executive Director, or her designee. The settlement payment shall be submitted to the following address:
Mississippi Department of Environmental Quality
Attn: Mona Varner
P.O. Box 2339
Jackson, MS 39225
- B. At least thirty (30) days prior to resumption of operation of the Biodiesel Production Facility, MGC shall submit a written compliance plan detailing: which compliance option under 40 CFR 60, NSPS, Subpart NNN it plans to meet,

including the specific standards, monitoring, testing, recordkeeping and reporting requirements; and, how it will comply with each of these requirements.

- C. Within five (5) days of resumption of operation of the Biodiesel Production Facility, MGC shall provide written notification of the actual date of resumption of operation.
- D. Within ninety (90) days of resumption of operation of the Biodiesel Production Facility, MGC shall demonstrate initial compliance with 40 CFR §60.662 and Condition 3.B.24 of the Permit via conducting the required testing and submitting the required compliance demonstration report(s).

3.

Nothing in this Agreed Order shall limit the rights of MDEQ or the Commission in the event Respondent fails to comply with this Agreed Order. The Agreed Order shall be strictly construed to apply to those matters expressly resolved herein.

4.

Nothing contained in this Agreed Order shall limit the rights of MDEQ or the Commission to take enforcement or other actions against Respondent for violations not addressed herein and for future violations of environmental laws, rules, and regulations.

5.

Respondent understands and acknowledges that it is entitled to an evidentiary hearing before the Commission pursuant to Miss. Code Ann. Section 49-17-31 (Rev. 2003), and that it has made an informed waiver of that right.

ORDERED, this the 29 day of March, 2011.

MISSISSIPPI COMMISSION ON
ENVIRONMENTAL QUALITY

BY: 
TRUDY D. FISHER
EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT
OF ENVIRONMENTAL QUALITY

AGREED, this the 14th day of March, 2011.

MGC TERMINAL LLC

BY: 

TITLE: VP

STATE OF Mississippi

COUNTY OF Lauderdale

PERSONALLY appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the within named Phillip Maples who first being duly sworn, did state upon his/her oath and acknowledge to me that he/she is the VP of MGC Terminal LLC and is authorized to sign and enter this Agreement.

SWORN AND SUBSCRIBED BEFORE ME, this the 16th day of March, 2011.

My Commission expires:




NOTARY PUBLIC



STATE OF MISSISSIPPI
HALEY BARBOUR
GOVERNOR
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
TRUDY D. FISHER, EXECUTIVE DIRECTOR

February 24, 2010

CERTIFIED MAIL: 7008 0500 0001 7047 5482

Mr. Philip Maples
MGC Terminal LLC
101 65th Avenue
Meridian, Mississippi 39307

Re: MGC Terminal LLC
Meridian, Lauderdale County
Air-Title V Operating Permit No. 1460-00009

Dear Mr. Maples:

Enclosed please find an Agreed Order that reflects our understanding of agreements reached to resolve certain environmental issues with your company.

If you concur with this Agreed Order, please sign the order before a Notary Public in the appropriate space and return the original water-marked order in the enclosed, self-addressed envelope to MDEQ Attn: Kim Smith, PO Box 2261 Jackson, MS 39225. Do not submit any penalty payment at this time. You will receive specific penalty payment instructions at a later date after the MDEQ Executive Director has executed the order.

If you have any questions, please contact me at (601) 961-5154.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Barkley".

Jay Barkley, Chief
Energy and Transportation Branch
Environmental Compliance and Enforcement Division

Enclosure