

**AIR EMISSION PERMIT NO. 14500016-003**

**IS ISSUED TO**

**Kaneb Pipe Line Operating Partnership LP**

KPLOP - Sauk Centre Products Terminal  
1833 Beltline Road  
Sauk Centre, Stearns County, MN 56378

The emission units, control equipment and emission stacks at the stationary source authorized in this permit are as described in the following permit applications:

<b>Permit Type</b>	<b>Application Date</b>
Total Facility Operating Permit	6/15/1996
Minor Amendment	7/12/2002
Administrative Amendment	12/27/02

This permit authorizes the Permittee to operate the stationary source at the address listed above unless otherwise noted in Table A. The Permittee must comply with all the conditions of the permit. Any changes or modifications to the stationary source must be performed in compliance with Minn. R. 7007.1150 to 7007.1500. Terms used in the permit are as defined in the state air pollution control rules unless the term is explicitly defined in the permit.

**Permit Type:** Part 70/Major for NSR/Limits to avoid Part 63

**Issue Date:** July 12, 2002

**Administrative Amendment:** 4/9/03

**Expiration:** April 4, 2007

All Title I Conditions do not expire.

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Ann M. Foss  
Major Facilities Section Manager  
Majors and Remediation Division

for Sheryl A. Corrigan  
Commissioner  
Minnesota Pollution Control Agency

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## **NOTICE TO THE PERMITTEE:**

Your stationary source may be subject to the requirements of the Minnesota Pollution Control Agency's (MPCA) solid waste, hazardous waste, and water quality programs. If you wish to obtain information on these programs, including information on obtaining any required permits, please contact the MPCA general information number at:

Metro Area	(651) 296-6300
Outside Metro Area	1-800-657-3864
TTY	(651) 282-5332

The rules governing these programs are contained in Minn. R. chs. 7000-7105. Written questions may be sent to: Minnesota Pollution Control Agency, 520 Lafayette Road North, St. Paul, Minnesota 55155-4194.

Questions about this air emission permit or about air quality requirements can also be directed to the telephone numbers and address listed above.

## **PERMIT SHIELD:**

Subject to the limitations in Minn. R. 7007.1800, compliance with the conditions of this permit shall be deemed compliance with the specific provision of the applicable requirement identified in the permit as the basis of each condition. Certain requirements which have been determined not to apply are listed in Table A of this permit.

Subject to the limitations of Minn. R. 7007.1800 and 7017.0100, subp. 2, notwithstanding the conditions of this permit specifying compliance practices for applicable requirements, any person (including the Permittee) may also use other credible evidence to establish compliance or noncompliance with applicable requirements. The permit shield is not intended to allow you to deviate from permit conditions without obtaining the required prior approvals.

## **FACILITY DESCRIPTION:**

The Permittee owns and operates a bulk terminal for petroleum products, primarily unleaded gasoline, No. 1 and No. 2 fuel oils, diesel fuels and ethanol. The facility consists of product storage tanks and a truck-loading rack. The terminal receives petroleum products through a pipeline distribution network. Products are shipped out by tank truck to retailers and bulk stations. Product transfer from refineries is continuous. Volatile organic compound (VOC) emissions result primarily from loading trucks. Some VOC emissions also are emitted from storage tank losses. Allowable VOC emissions are above major source threshold amounts for New Source Review. Hazardous Air Pollutant (HAP ) emissions are below major source thresholds. Gasoline throughput will be limited to 132,000,000 gallons per year. Administrative amendment (003) reflects a change of ownership from Tersoro Refining and Marketing Company to Kaneb Pipe Line Operating Partnership.

**TABLE A: LIMITS AND OTHER REQUIREMENTS**

04/09/03

Facility Name: KPLOP - Sauk Centre Products Terminal

Permit Number: 14500016 - 003

**Table A contains limits and other requirements with which your facility must comply. The limits are located in the first column of the table (What To do). The limits can be emission limits or operational limits. This column also contains the actions that you must take and the records you must keep to show that you are complying with the limits. The second column of Table A (Why to do it) lists the regulatory basis for these limits. Appendices included as conditions of your permit are listed in Table A under total facility requirements.**

**Subject Item:****Total Facility**

<b>What to do</b>	<b>Why to do it</b>
Operation and Maintenance Plan: Retain at the stationary source an operation and maintenance plan for all air pollution control equipment. At a minimum, the O & M plan shall identify all air pollution control equipment and shall include a preventative maintenance program for that equipment, a description of (the minimum but not necessarily the only) corrective actions to be taken to restore the equipment to proper operation to meet applicable permit conditions, a description of the employee training program for proper operation and maintenance of the control equipment, and the records kept to demonstrate plan implementation.	Minn. R. 7007.0800, subp. 14 and Minn. R. 7007.0800, subp. 16(J)
Performance Testing: Conduct all performance tests in accordance with Minn. R. ch. 7017 unless otherwise noted in Tables A, B, and/or C.	Minn. R. ch. 7017
Limits set as a result of a performance test (conducted before or after permit issuance) apply until superseded as specified by Minn. R. 7017.2025 following formal review of a subsequent performance test on the same unit.	Minn. R. 7017.2025
Performance Test Notifications and Submittals:  Performance Tests are due as outlined in Tables A and B of the permit. See Table B for additional testing requirements.  Performance Test Notification (written): due 30 days before each Performance Test Performance Test Plan: due 30 days before each Performance Test Performance Test Pre-test Meeting: due 7 days before each Performance Test Performance Test Report: due 45 days after each Performance Test Performance Test Report - Microfiche Copy: due 105 days after each Performance Test	Minn. R. 7017.2030, subp. 1-4 and Minn. R. 7017.2035, subp. 1-2
Monitoring Equipment Calibration: Annually calibrate all required monitoring equipment (any requirements applying to continuous emission monitors are listed separately in this permit).	Minn. R. 7007.0800, subp. 4(D)
Operation of Monitoring Equipment: Unless otherwise noted in Tables A, B, and/or C, monitoring a process or control equipment connected to that process is not necessary during periods when the process is shutdown, or during checks of the monitoring systems, such as calibration checks and zero and span adjustments. If monitoring records are required, they should reflect any such periods of process shutdown or checks of the monitoring system.	Minn. R. 7007.0800, subp. 4(D)
Circumvention: Do not install or use a device or means that conceals or dilutes emissions, which would otherwise violate a federal or state air pollution control rule, without reducing the total amount of pollutant emitted.	Minn. R. 7011.0020
Shutdown Notifications: Notify the Commissioner at least 24 hours in advance of a planned shutdown of any control equipment or process equipment if the shutdown would cause any increase in the emissions of any regulated air pollutant. If the owner or operator does not have advance knowledge of the shutdown, notification shall be made to the Commissioner as soon as possible after the shutdown. However, notification is not required in the circumstances outlined in Items A, B and C of Minn. R. 7019.1000, subp. 3.  At the time of notification, the owner or operator shall inform the Commissioner of the cause of the shutdown and the estimated duration. The owner or operator shall notify the Commissioner when the shutdown is over.	Minn. R. 7019.1000, subp. 3
Breakdown Notifications: Notify the Commissioner within 24 hours of a breakdown of more than one hour duration of any control equipment or process equipment if the breakdown causes any increase in the emissions of any regulated air pollutant. The 24-hour time period starts when the breakdown was discovered or reasonably should have been discovered by the owner or operator. However, notification is not required in the circumstances outlined in Items A, B and C of Minn. R. 7019.1000, subp. 2.  At the time of notification or as soon as possible thereafter, the owner or operator shall inform the Commissioner of the cause of the breakdown and the estimated duration. The owner or operator shall notify the Commissioner when the breakdown is over.	Minn. R. 7019.1000, subp. 2

**TABLE A: LIMITS AND OTHER REQUIREMENTS**

04/09/03

Facility Name: KPLOP - Sauk Centre Products Terminal

Permit Number: 14500016 - 003

Notification of Deviations Endangering Human Health or the Environment: As soon as possible after discovery, notify the Commissioner or the state duty officer, either orally or by facsimile, of any deviation from permit conditions which could endanger human health or the environment.	Minn. R. 7019.1000, subp. 1
Notification of Deviations Endangering Human Health or the Environment Report: Within 2 working days of discovery, notify the Commissioner in writing of any deviation from permit conditions which could endanger human health or the environment. Include the following information in this written description: 1. the cause of the deviation; 2. the exact dates of the period of the deviation, if the deviation has been corrected; 3. whether or not the deviation has been corrected; 4. the anticipated time by which the deviation is expected to be corrected, if not yet corrected; and 5. steps taken or planned to reduce, eliminate, and prevent reoccurrence of the deviation.	Minn. R. 7019.1000, subp. 1
Operation Changes: In any shutdown, breakdown, or deviation the Permittee shall immediately take all practical steps to modify operations to reduce the emission of any regulated air pollutant. The Commissioner may require feasible and practical modifications in the operation to reduce emissions of air pollutants. No emissions units that have an unreasonable shutdown or breakdown frequency of process or control equipment shall be permitted to operate.	Minn. R. 7019.1000, subp. 4
Air Pollution Control Equipment: Operate all pollution control equipment whenever the corresponding process equipment and emission units are operated, unless otherwise noted in Table A.	Minn. R. 7007.0800, subp. 2; Minn. R. 7007.0800, subp. 16(J)
Fugitive Emissions: Do not cause or permit the handling, use, transporting, or storage of any material in a manner which may allow avoidable amounts of particulate matter to become airborne. Comply with all other requirements listed in Minn. R. 7011.0150.	Minn. R. 7011.0150
Application for Permit Amendment: If a permit amendment is needed, submit an application in accordance with the requirements of Minn. R. 7007.1150 through Minn. R. 7007.1500. Submittal dates vary, depending on the type of amendment needed.	Minn. R. 7007.1150 through Minn. R. 7007.1500
Application for Permit Reissuance: due 180 days before expiration of existing permit.	Minn. R. 7007.0400, subp. 3
Extension Requests: The Permittee may apply for an Administrative Amendment to extend a deadline in a permit by no more than 120 days, provided the proposed deadline extension meets the requirements of Minn. R. 7007.1400, subp. 1(H).	Minn. R. 7007.1400, subp. 1(H)
Recordkeeping: Maintain records describing any insignificant modifications (as required by Minn. R. 7007.1250, subp. 3) or changes contravening permit terms (as required by Minn. R. 7007.1350 subp. 2), including records of the emissions resulting from those changes.	Minn. R. 7007.0800, subp. 5(B)
Record keeping: Retain all records at the stationary source for a period of five (5) years from the date of monitoring, sample, measurement, or report. Records which must be retained at this location include all calibration and maintenance records, all original recordings for continuous monitoring instrumentation, and copies of all reports required by the permit. Records must conform to the requirements listed in Minn. R. 7007.0800, subp. 5(A).	Minn. R. 7007.0800, subp. 5(C)
Noise: The Permittee shall comply with the noise standards set forth in Minn. R. 7030.0010 to 7030.0080 at all times during the operation of any emission units. This is a state only requirement and is not enforceable by the EPA Administrator or citizens under the Clean Air Act.	Minn. R. 7030.0010 - 7030.0080
The Permittee shall comply with the General Conditions listed in Minn. R. 7007.0800, subp. 16.	Minn. R. 7007.0800, subp. 16
Inspections: The Permittee shall comply with the inspection procedures and requirements as found in Minn. R. 7007.0800, subp. 9(A).	Minn. R. 7007.0800, subp. 9(A)
Emission Inventory Report: due 91 days after end of each calendar year following permit issuance (April 1). To be submitted on a form approved by the Commissioner.	Minn. R. 7019.3000 through Minn. R. 7019.3010
Emission Fees: due 60 days after receipt of an MPCA bill.	Minn. R. 7002.0005 through Minn. R. 7002.0095

**TABLE A: LIMITS AND OTHER REQUIREMENTS**

04/09/03

Facility Name: KPLOP - Sauk Centre Products Terminal

Permit Number: 14500016 - 003

**Subject Item:** EU 001 Truck Loading Rack**Associated Items:** SV 001 Truck Loading Rack

What to do	Why to do it
Process Throughput: less than or equal to 1.32E+8 gallons/year using 12-month Rolling Sum to be determined by the 15th day of each month for the previous 12-month period.	Title I Condition: Limit taken to avoid major source classification under 40 CFR Section 63.2
Daily Recordkeeping: Maintain records of gallons of gasoline purchased daily.	Title I Condition: Monitoring of limit taken to avoid major source classification under 40 CFR Section 63.2

**TABLE A: LIMITS AND OTHER REQUIREMENTS**

04/09/03

Facility Name: KPLOP - Sauk Centre Products Terminal  
Permit Number: 14500016 - 003

**Subject Item: TK 009 Tank 51- Ethanol**

What to do	Why to do it
Recordkeeping: Maintain records showing the dimensions of the tank and an analysis showing the tank capacity. These records shall be maintained for the life of the source.	40 CFR Section 60.116b(b); Minn. R. 7011.1520(C)

**TABLE A: LIMITS AND OTHER REQUIREMENTS**

04/09/03

Facility Name: KPLOP - Sauk Centre Products Terminal  
Permit Number: 14500016 - 003

**Subject Item: TK 011 Tank 52 - Ethanol**

What to do	Why to do it
Recordkeeping: Maintain records showing the dimensions of the tank and an analysis showing the tank capacity. These records shall be maintained for the life of the source.	40 CFR Section 60.116b(b); Minn. R. 7011.1520(C)



**TABLE A: LIMITS AND OTHER REQUIREMENTS**

04/09/03

Facility Name: KPLOP - Sauk Centre Products Terminal  
Permit Number: 14500016 - 003

**Subject Item: TK 012 Tank 53 - Ethanol**

What to do	Why to do it
Recordkeeping: Maintain records showing the dimensions of the tank and an analysis showing the tank capacity. These records shall be maintained for the life of the source.	40 CFR Section 60.116b(b); Minn. R. 7011.1520(C)

**TABLE A: LIMITS AND OTHER REQUIREMENTS**

04/09/03

Facility Name: KPLOP - Sauk Centre Products Terminal  
Permit Number: 14500016 - 003

**Subject Item:** TK 013 Tank 54 - Ethanol

What to do	Why to do it
Recordkeeping: Maintain records showing the dimensions of the tank and an analysis showing the tank capacity. These records shall be maintained for the life of the source.	40 CFR Section 60.116b(b); Minn. R. 7011.1520(C)

## TABLE B: SUBMITTALS

04/09/03

Facility Name: KPLOP - Sauk Centre Products Terminal  
Permit Number: 14500016 - 003

Table B lists most of the submittals required by this permit. Please note that some submittal requirements may appear in Table A or, if applicable, within a compliance schedule located in Table C. Table B is divided into two sections in order to separately list one-time only and recurrent submittal requirements.

Each submittal must be postmarked or received by the date specified in the applicable Table. Those submittals required by parts 7007.0100 to 7007.1850 must be certified by a responsible official, defined in Minn. R. 7007.0100, subp. 21. Other submittals shall be certified as appropriate if certification is required by an applicable rule or permit condition.

Send any application for a permit or permit amendment to:

Permit Technical Advisor  
Permit Section  
Air Quality Division  
Minnesota Pollution Control Agency  
520 Lafayette Road North  
St. Paul, Minnesota 55155-4194

Also, where required by an applicable rule or permit condition, send to the Permit Technical Advisor notices of:

- accumulated insignificant activities,
- installation of control equipment,
- replacement of an emissions unit, and
- changes that contravene a permit term.

Unless another person is identified in the applicable Table, send all other submittals to:

Supervisor  
Compliance Determination Unit  
Air Quality Division  
Minnesota Pollution Control Agency  
520 Lafayette Road North  
St. Paul, Minnesota 55155-4194

Send submittals that are required to be submitted to the U.S. EPA regional office to:

Mr. George Czerniak  
Air and Radiation Branch  
EPA Region V  
77 West Jackson Boulevard  
Chicago, Illinois 60604

Send submittals that are required by the Acid Rain Program to:

U.S. Environmental Protection Agency  
Clean Air Markets Division  
1200 Pennsylvania Avenue NW (6204N)  
Washington, D.C. 20460

**TABLE B: RECURRENT SUBMITTALS**

04/09/03

Facility Name: KPLOP - Sauk Centre Products Terminal

Permit Number: 14500016 - 003

What to send	When to send	Portion of Facility Affected
Semiannual Deviations Report	due 30 days after end of each calendar half-year starting 04/04/2002 . The first semiannual report submitted by the Permittee shall cover the calendar half-year in which the permit is issued. The first report of each calendar year covers January 1 - June 30. The second report of each calendar year covers July 1 - December 31. If no deviations have occurred, the Permittee shall submit the report stating no deviations.	Total Facility
Compliance Certification	due 30 days after end of each calendar year starting 04/04/2002 (for the previous calendar year). To be submitted on a form approved by the Commissioner, both to the Commissioner and to the US EPA regional office in Chicago. This report covers all deviations experienced during the calendar year.	Total Facility

April 9, 2003

Mr. Mark L. Prewitt  
Manager of Regulatory Oversight  
Kaneb Pipe Line Operating Partnership, L.P.  
7340 West 21<sup>st</sup> Street North  
Suite 200  
Wichita, Kansas 67205

RE: Air Emission Permit No. 14500016-003

Dear Mr. Prewitt:

The enclosed permit, Air Emission Permit No. 14500016-003, reflects the ownership change of your facility located at 1833 Beltline Road, Sauk Centre, Stearns County, Minnesota.

We appreciate your cooperation and compliance with environmental laws. If you have questions about the permit, please contact me at (507) 281-7762.

Sincerely,

Bruce Braaten  
Staff Engineer  
Majors and Remediation Division  
Rochester Regional Office

BCB:lh

Enclosure

cc: AQ File No. 772D