



ARKANSAS
Department of Environmental Quality

Permit Tracking Number: ARG670766
AFIN: 60-04594

NOTICE OF COVERAGE (NOC)
PIPELINE HYDROSTATIC TESTING GENERAL PERMIT, ARG670000

Jerry Smith
S & J Construction Co., Inc.
PO Box 5003
Jacksonville, AR 72078

The Notice of Intent (NOI) for coverage under the above General Permit was received on 6/3/2013 and has been reviewed. The facility has been assigned Permit Tracking Number **ARG670766** and AFIN **60-04594**. Any permit-related correspondence must include these numbers. This NOC is issued to **S & J Construction Co., Inc.** in reliance upon the statements and representations made in the submittal for the following facility located in Pulaski County:

Contract 3-General Samuels Road Water Line
General Samuels & Highway 107
Jacksonville, AR 72076

Compliance with all conditions and limitations of the enclosed general permit is required. Please be advised that the permit contains monitoring and reporting requirements.

Discharges allowed by the permit shall only occur at the following outfall location(s):

Outfall 001: Latitude 34° 53' 2" Longitude -92° 10' 57"

Coverage Date: 06/07/2013

Expiration Date: 06/30/2013

Mo Shafii
Assistant Chief, Water Division

Authorization to Discharge Under the National Pollutant Discharge Elimination System and the Arkansas Water and Air Pollution Control Act

In accordance with the provisions of the Arkansas Water and Air Pollution Control Act (Act 472 of 1949, as amended, Ark. Code Ann. 8-4-101 et seq.), and the Clean Water Act (33 U.S.C. 1251 et seq.),

Operators Engaged in Hydrostatic Testing Located within the State of Arkansas

are authorized to discharge to all receiving waters except those receiving streams which are excluded in Section A, paragraph 3 of Part I of the General Permit (GP) in accordance with effluent limitations, monitoring requirements, and other conditions set forth in Parts I and II hereof.

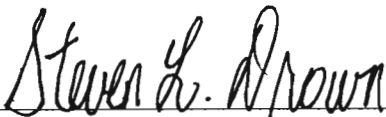
For facilities that are eligible for coverage under a GP, the Department sends a cover letter (Notice of Coverage with tracking permit number which starts with ARG67) and a copy of the permit to the facility. The cover letter includes the Department's determination that a facility is covered under the GP and may specify alternate requirements outlined in the permit such as modified sampling frequencies for certain parameters or the inclusion of monitoring for parameters in addition to those requiring regular monitoring.

The Response to Comments is attached to the permit.

Issue Date: June 30, 2008

Effective Date: July 1, 2008

Expiration Date: June 30, 2013



Steven L. Drown
Chief, Water Division
Arkansas Department of Environmental Quality

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PART I
PERMIT REQUIREMENTS

SECTION A: COVERAGE UNDER THIS PERMIT

1. **Permit Area:** The area covered by this permit includes all areas within the State of Arkansas.

2. **Authorization:**

a. **ELIGIBILITY**

Facilities covered by this general permit include those facilities which engage in the hydrostatic testing of new pipelines or vessels, or those which have been used for the transport, transfer, or storage of potable water, natural gas, crude oil, liquid or gaseous petroleum hydrocarbons, or diesel, unleaded gasoline, natural gasoline, fuel oil, kerosene, jet fuel, naphtha, raffinate, toluene, gasoline additives, or diesel additives which would adequately be detected by the effluent limitations in this permit and which discharge wastewater as a result of these hydrostatic tests. Facilities covered include, but are not limited to, pipelines, flowlines, and storage tanks.

b. **EXCLUSIONS**

This general permit shall not apply to activities:

1. Producing and/or receiving wastewater from sources other than hydrostatic testing;
2. Producing wastewater containing substances that are not addressed by or would not be adequately detected by the effluent limits in this permit;
3. With pipelines using compressor lubricants containing polychlorinated biphenyls (PCBs);
4. Discharging into 303(d) listed stream segments if the impairment was caused by any of the pollutants listed in the permit;
5. Discharging into an Extraordinary Resource Water (ERW);
6. If the total maximum daily load (TMDL) requirement is more stringent than this permit. In these cases, the permittee shall apply for an individual permit; and
7. Discharge of wastewater in order to clean the pipeline.

3. **Notification Requirements:**

a. Dischargers seeking coverage under this general permit shall submit:

A complete written Notice of Intent (NOI) from new dischargers, submitted to the Department at least 10 business days prior to the proposed discharge. Unless the applicant is notified otherwise by the Director, authority to discharge under this general permit will become effective within 10 business days of a complete submission of the above notification. The permittee shall request a copy of this general permit.

- b. The applicant must complete the official and approved Notice of Intent (NOI) form provided by the ADEQ. The NOI shall include the following information:
- i. Name, address, and descriptive location(s) of the facility;
 - ii. Name of principal in charge of the facility;
 - iii. Name of water(s) receiving the discharge;
 - iv. Brief description of the activity resulting in the discharge(s) including the anticipated duration of the discharge(s), anticipated volume and rate of discharge(s), and the source of water which is to be discharged;
 - v. The material from which the pipeline/vessel was constructed (e.g. concrete pipe, glass lined steel tank, etc.);
 - vi. Whether the vessel has been previously used or is of virgin material;
 - vii. A description of the fluid material normally contained and/or transported through the vessel;
 - viii. A map or schematic diagram showing the general area of the discharge(s); and
 - ix. A brief description of any corrosion inhibitors to be used, including a description of any potentially toxic constituents.
- d. All NOIs and any subsequent reports shall be sent to the following address:
- Arkansas Department of Environmental Quality
Water Division, General Permits Branch
5301 Northshore Drive
North Little Rock, AR 72118
- e. This general permit may provide either site specific or project specific authorization to discharge. Permittees who conduct hydrostatic testing at more than one location for a specific project may obtain project-wide coverage (i.e., more than one outfall) under this permit for discharges related to those testing activities provided the testing activities are all conducted within the same county. The NOI submitted for permit coverage must contain all of the discharge information (i.e., location, duration, volume, receiving stream, etc.) for each testing location. Please note that future additional outfalls not included in the original NOI must be included on a new NOI and obtain separate permit coverage. **Please be aware that the sampling required in Part I.B.1 below must be conducted during each discharge.**
- f. Reaffirmation of Permit Coverage. Upon re-issuance of this general permit, the operator must notify the Director of his/her intent to be covered by the new general permit by submitting an NOI consistent with the new general permit requirements **no later than 90 days** following the effective date of the new general permit.

4. Termination of Operations

When all discharges associated with the activities authorized by this permit are eliminated, the operator of the facility must submit a Notice of Termination (Letter) that is signed in accordance with Part II.D.8 of this permit. The Notice of Termination shall include the following information: applicant name, mailing address and telephone number of the operator; the facility permit tracking number assigned; the

location of the discharge; and the sampling information needed to satisfy the reporting requirements in Part II.C.5.c.

SECTION B: EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning on the effective date and lasting through the expiration date, the permittee is authorized to discharge from Outfall(s) as indicated on the NOI - intermittent discharge from hydrostatic testing of pipelines in the State of Arkansas.

- The following pollution abatement steps shall be taken by the permittee in the discharge of hydrostatic pipeline testing waters:

<u>Effluent Characteristics</u>	<u>Daily Maximum</u>	<u>Sample Type</u> ¹
Flow	Report MGD	Record
Total Suspended Solids (TSS)	45 mg/l	Grab
Oil and Grease (O&G)	15 mg/l	Grab
Total Organic Carbon (TOC) ²	50 mg/l	Grab
Benzene ²	50 µg/l	Grab
Total BTEX ^{2,3}	100 µg/l	Grab
pH (s.u.)	Within the range of 6.0 – 9.0	Grab

¹ The grab sample shall be taken at the end of each batch discharge where the First In, Last Out method is used for filling and discharging the hydrostatic test water from the pipeline segment(s) being tested. The grab sample shall be taken at the beginning of each batch discharge where the First In, First Out method is used.

² TOC, BTEX, and Benzene limit applies only to discharge from pipe/vessels which have previously been in service-i.e., those facilities which are not new.

³ BTEX shall be measured as the sum of benzene, toluene, Ethylbenzene, and total xylene (including ortho-, meta-, and para-xylene) as quantified by EPA methods 601, 602, 624, or 1624.

- The permittee shall not discharge if the above limits can not be met.
- There shall be no discharge of any wastewater except those resulting from hydrostatic testing of pipelines or other fluid vessels.
- The permittee shall take all necessary steps to prevent or minimize stream channel scouring or erosion of materials and soils into surface waters caused by the discharge.
- There shall be no discharge of floating solids or visible foam other than trace amounts.
- All waters shall be treated to remove suspended solids, turbidity and color to a level consistent with the receiving stream.

7. No chemicals, toxic pollutants or any priority pollutants in 40 CFR Part 122 Appendix D are to be added to the discharge unless prior permission for the use of the additive is specifically granted by the Director.
8. No polychlorinated biphenyls (PCB) shall be contained in compressor lubricants.
9. The discharge of hydrostatic test water to which treatment chemicals, corrosion inhibitors or biocides have been added is prohibited.

PART II
STANDARD CONDITIONS

SECTION A: GENERAL CONDITIONS

1. Duty To Comply

The permittee must comply with all conditions of this permit. Any permit noncompliance constitutes a violation of the Federal Clean Water Act and the Arkansas Water and Air Pollution Control Act and is grounds for enforcement action or for requiring a permittee to apply for an individual NPDES permit. **Any values reported in the required monitoring reports which are in excess of the effluent limitation specified in Part I shall constitute evidence of violation of such effluent limitation and of this permit.**

2. Penalties for Violations of Permit Conditions

The Arkansas Water and Air Pollution Control Act provides that any person who violates any provisions of a permit issued under the Act shall be guilty of a misdemeanor and upon conviction thereof shall be subject to imprisonment for not more than one (1) year, or a fine of not more than twenty-five thousand dollars (\$25,000) or by both such fine and imprisonment for each day of such violation. Any person who violates any provision of a permit issued under the Act may also be subject to civil penalty in such amount as the court shall find appropriate, not to exceed ten thousand dollars (\$10,000) for each day of such violation. The fact that any such violation may constitute a misdemeanor shall not be a bar to the maintenance of such civil action.

3. Permit Actions

This general permit may be modified, revoked and reissued, or terminated for cause in accordance with the requirements of the National Pollutant Discharge Elimination System (NPDES) Permit Program Regulations at 40 CFR Parts 122 and 124, as adopted by reference in ADEQ Regulation No. 6. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

4. Toxic Pollutants

Notwithstanding Part II.A.3, if any toxic effluent standard or prohibition (including any schedule of compliance specified in such effluent standard or prohibition) is promulgated under Regulation No. 2, as amended, (regulation establishing water quality standards for surface waters of the State of Arkansas) or Section 307(a) of the Clean Water Act for a toxic pollutant which is present in the discharge and that standard or prohibition is more stringent than any limitations on the pollutant in this permit, this permit shall be modified or revoked and reissued to conform to the toxic effluent standard or prohibition and the permittee so notified.

The permittee shall comply with effluent standards or prohibitions established under Regulation No. 2 (Arkansas Water Quality Standards), as amended, or Section 307(a) of the Clean Water Act for toxic

pollutants within the time provided in the regulations that establish those standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

5. Civil and Criminal Liability

Except as provided in permit conditions on "Bypassing" (Part II.B.4.a), and "Upsets" (Part II.B.5.b), nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance.

6. Oil and Hazardous Substance Liability

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties to which the permittee is or may be subject under Section 311 of the Clean Water Act.

7. Property Rights

The issuance of this permit does not convey any property rights of any sort, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State or local laws or regulations.

8. Severability

The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

9. Permit Applicability

The permit is applicable only to facilities which are direct discharges into "waters of the State" as defined in 40 CFR 122.2 and are subject to the requirements of section 301 and 402 of the Clean Water Act.

10. Continuance of the Expired General Permit. An expired general permit continues in force and effect until a new general permit is issued. If this permit is not re-issued or replaced prior to the expiration date, it will be administratively continued in accordance with 40 CFR 122.6 and remain in force and effect. If you were granted permit coverage prior to the expiration date, you will automatically remain covered by the continued permit until the earliest of:

- a. Re-issuance or replacement of this permit, at which time you must comply with the conditions of the new permit to maintain authorization to discharge; or
- b. Your submittal of a Notice of Termination; or
- c. Issuance of an individual permit for the project's discharges; or

- d. A formal permit decision by the ADEQ to not re-issue this general permit, at which time you must seek coverage under an individual permit or other general permits, if available.

SECTION B: OPERATION AND MAINTENANCE OF POLLUTION CONTROLS

1. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance also includes adequate laboratory controls and appropriate quality assurance procedures. This provision requires the operation of backup or auxiliary facilities or similar systems which are installed by a permittee only when the operation is necessary to achieve compliance with the conditions of the permit.

2. Need to Halt or Reduce not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. Upon reduction, loss, or failure of the treatment facility, the permittee shall, to the extent necessary to maintain compliance with its permit, control production or discharges or both until the facility is restored or an alternative method of treatment is provided. This requirement applies, for example, when the primary source of power for the treatment facility is reduced, is lost, or alternate power supply fails.

3. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit which has a reasonable likelihood of adversely affecting human health or the environment, or the water receiving the discharge.

4. Bypass of Treatment Facilities

Bypass not exceeding limitation. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of Part II.B.4.b and c.

Notice

- (1) Anticipated bypass. If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten days before the date of the bypass.
- (2) Unanticipated bypass. The permittee shall submit notice of an unanticipated bypass as required in Part II.D.6 (24-hour notice).

Prohibition of bypass.

- (1) Bypass is prohibited and the Director may take enforcement action against a permittee for bypass, unless:
 - (a) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
 - (b) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if the permittee could have installed adequate backup equipment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance; and
 - (c) The permittee submitted notices as required by Part II.B.4.b.
- (2) The Director may approve an anticipated bypass, after considering its adverse effects, if the Director determines that it will meet the three conditions listed above in Part II.B.4.c(1).

5. Upset Conditions

- a. Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology based permit effluent limitations if the requirements of Part II.B.5.b of this section are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.
- b. Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:
 - 1) An upset occurred and that the permittee can identify the specific cause(s) of the upset;
 - 2) The permitted facility was at the time being properly operated;
 - 3) The permittee submitted notice of the upset as required by Part II.D.4; and
 - 4) The permittee complied with any remedial measures required by Part II.B.3.
- c. Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

6. Removed Substances

Solids, sludges, filter backwash, or other pollutants removed in the course of treatment or control of waste waters shall be disposed of in a manner such as to prevent any pollutant from such materials from entering the waters of the State. Written approval for such disposal must be obtained from the ADEQ.

7. Power Failure

The permittee is responsible for maintaining adequate safeguards to prevent the discharge of untreated or inadequately treated wastes during electrical power failure either by means of alternate power sources, standby generators, or retention of inadequately treated effluent.

SECTION C: MONITORING AND RECORDS

1. Representative Sampling

Samples and measurements taken as required herein shall be representative of the volume and nature of the monitored discharge. All samples shall be taken before the effluent joins or is diluted by any other waste stream, body of water, or substance. Monitoring points shall not be changed without notification to and the approval of the Director.

2. Flow Measurement

By using the size of pipe and length of pipe to be tested the volume (Flow) of water to be discharged shall be calculated.

3. Monitoring Procedures

Monitoring must be conducted according to test procedures approved under 40 CFR Part 136, unless other test procedures have been specified in this permit. The permittee shall calibrate and perform maintenance procedures on all monitoring analytical instrumentation at intervals frequent enough to insure accuracy of measurements and shall insure that both calibration and maintenance activities will be conducted. An adequate analytical quality control program, including the analysis of sufficient standards, spikes, and duplicate samples to insure the accuracy of all required analytical results shall be maintained by the permittee or designated commercial laboratory.

4. Penalties for Tampering

The Arkansas Water and Air Pollution Control Act provides that any person who falsifies, tampers with, or knowingly renders inaccurate, any monitoring device or method required to be maintained under the Act shall be guilty of a misdemeanor and upon conviction thereof shall be subject to imprisonment for not more than one (1) year, or a fine of not more than ten thousand dollars (\$10,000) or by both such fine and imprisonment.

5. Monitoring and Reporting

a. Daily logs shall be maintained by the permittee while discharging under the terms and conditions of this permit and shall contain, at a minimum:

- (1) flow information and data
- (2) sample results

(3) records of any visual observations

b. The minimum frequency and type of sampling required by this permit is as follows:

- (1) Record daily discharge flow rate and total volume discharged;
- (2) Daily grab samples for total suspended solids during discharge;
- (3) Daily grab samples or in situ measurement for pH during discharge;
- (4) Daily grab samples for the presence of oil and grease in the discharge; and
- (5) Daily grab samples for benzene during discharge.

c. Each permittee shall be responsible for submitting monitoring information. Within thirty (30) days after completion of the hydrostatic test and cessation of discharge, the permittee shall submit a report summarizing the results of all discharge samples. The report shall contain, at a minimum, the date(s) and duration of discharge, source of test water, discharge point, water volumes used, control and measures implements and description and quantity of any corrosion inhibitor used. Signed and certified copies of these and other reports required herein shall be submitted to:

Arkansas Department of Environmental Quality
Water Division, General Permits Branch
5301 Northshore Drive
North Little Rock, Arkansas 72118

d. Visual inspection of the discharge shall be made periodically to assure adequate removal of suspended solids, turbidity and any visible oil sheen.

6. Additional Monitoring by the Permittee

If the permittee monitors any pollutant more frequently than required by this permit, using test procedures approved under 40 CFR 136 or as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the summary report. Such increased frequency shall also be indicated in the summary report.

7. Retention of Records

The permittee shall retain records of all monitoring information, including daily logs, all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit, and records of all data used to request coverage under this permit, for a period of at least 3 (three) years from the date of the sample, measurement, report or application. This period may be extended by request of the Director at any time.

8. Record Contents

Records and monitoring information shall include:

a. The date, exact place, time and methods of sampling or measurements;

- b. The individuals(s) who performed the sampling or measurements;
- c. The date(s) analyses were performed;
- d. The individual(s) who performed the analyses;
- e. The analytical techniques or methods used; and
- f. The measurements and results of such analyses.

9. Inspection and Entry

The permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

- a. Enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit;
- b. Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;
- c. Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
- d. Sample, inspect or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the Clean Water Act and/or Arkansas Water and Air Pollution Control Act, any substances or parameters at any location.

SECTION D: REPORTING REQUIREMENTS

1. Anticipated Noncompliance

The permittee shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

2. Transfers

The permit is transferable to any person by notifying the Director within thirty (30) days of the transaction.

3. Monitoring Reports

Monitoring results shall be reported at the intervals and in the form specified at Part II.C.5.

4. Twenty-four Hour Reporting

The permittee shall report any noncompliance which may endanger health or the environment. Any information shall be provided orally within 24 hours from the time the permittee becomes aware of the circumstances. A written submission shall also be provided within 5 days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or

planned to reduce, eliminate, and prevent reoccurrences of the noncompliance. The Director may waive the written report on a case-by-case basis if the oral report has been received within 24 hours.

The following shall be included as information which must be reported within 24 hours:

- a. Any unanticipated bypass which exceeds any effluent limitation in the permit; and
- b. Any upset which exceeds any effluent limitation in the permit.

5. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under Part II.D.3 and 4 at the time monitoring reports are submitted. The reports shall contain the information listed at Part II.D.4.

6. Changes in Discharge of Toxic Substances for Industrial Discharges

The permittee shall notify the Director as soon as he/she knows or has reason to believe:

- a. That any activity has occurred or will occur which would result in the discharge, in a routine or frequent basis, of any toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the "notification levels" described in 40 CFR 122.42(a)(1) {48 FR 14153, April 1, 1983, as amended at 49 FR 38046, September 26, 1984}.
- b. That any activity has occurred or will occur which would result in any discharge, on a non-routine or infrequent basis, of a toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the "notification levels" described in 40 CFR Part 122.42(a)(2) {48 &FR\& 14153, April 1, 1983, as amended at 49 FR 38046, September 26, 1984}.

7. Duty to Provide Information

The permittee shall furnish to the Director, within a reasonable time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

8. Signatory Requirements

All reports or information submitted pursuant to the requirements of this permit must be signed and certified by a ranking official or duly authorized agent of the permittee in accordance with 40 CFR 122.22, as adopted by reference in ADEQ Regulation No. 6.

9. Availability of Reports

Except for data determined to be confidential under 40 CFR Part 2 and Regulation 6, all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Department of Environmental Quality. As required by the Regulations, the name and address of any

permit applicant or permittee, permit applications, permits and effluent data shall not be considered confidential.

10. Penalties for Falsification of Reports

The Arkansas Water and Air Pollution Control Act provides that any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan or other document filed or required to be maintained under this permit shall be subject to civil and/or criminal penalties specified in Part II.A.2.

SECTION E: OTHER CONDITIONS

1. Definitions

All definitions contained in Section 502 of the Clean Water Act shall apply to this permit and are incorporated herein by reference. Additional definitions of words or phrases used in this permit are as follows:

- a. "Act" means the Clean Water Act, Public Law 95-217 (33.U.S.C.1251et seq.) as amended.
- b. "ADEQ" means the Arkansas Department of Environmental Quality.
- c. "Administrator" means the Administrator of the U.S. Environmental Protection Agency.
- d. "Applicable effluent standards and limitations" means all State and Federal effluent standards and limitations to which a discharge is subject under the Act, including, but not limited to, effluent limitations, standards of performance, toxic effluent standards and prohibitions, and pretreatment standards.
- e. "Applicable water quality standards" means all water quality standards to which a discharge is subject under the federal Clean Water Act and which have been (a) approved or permitted to remain in effect by the Administrator following submission to the Administrator pursuant to Section 303(a) of the Act, or (b) promulgated by the Director pursuant to Section 303(b) or 303(c) of the Act, and standards promulgated under Regulation No. 2, as amended, (regulation establishing water quality standards for surface waters of the State of Arkansas).
- f. "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility.
- g. "Daily Discharge" means the discharge of a pollutant measured during a calendar day or any 24-hour period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in terms of mass, the "daily discharge" is calculated as the total mass of the pollutant discharged over the sampling day. For pollutants with limitations expressed in other units of measurement, the "daily discharge" is calculated as the average measurement of the pollutant over the sampling day. "Daily discharge" determination of concentration made using a composite sample shall be the concentration of the composite sample. When grab samples are used, the "daily discharge" determination of concentration shall be the arithmetic average (weighted by flow value) of all the samples collected during that sampling day.
- h. "Daily Maximum" discharge limitation means the highest allowable "daily discharge" during the calendar month.
- i. "Department" means the Arkansas Department of Environmental Quality (ADEQ).

- j. "Director" means the Administrator of the U.S. Environmental Protection Agency and/or the Director of the Arkansas Department of Environmental Quality.
- k. "FILO" means the pipeline is filled and discharged at the same location called First In, Last Out (FILO).
- l. "FIFO" means the pipeline is filled at one location and discharged at another is called First In, First Out (FIFO).
- m. "Gas" means natural gas, flammable gas, or a gas which is toxic or corrosive.
- n. "Gathering Line" means a pipeline that transports gas from a current production facility to a transmission line or main.
- o. "Grab sample" means an individual sample collected in less than 15 minutes in conjunction with an instantaneous flow measurement.
- p. "National Pollutant Discharge Elimination System (NPDES)" means the national program for issuing, modifying, revoking and reissuing, terminating, monitoring and enforcing permits, and imposing and enforcing pretreatment requirements, under section 307, 402, 318 and 405 of the Clean Water Act.
- q. "PHTD facility" is defined as a segment of a pipeline meeting the criteria of Part I.A.1.a. of this permit that is filled with water and hydrostatically tested. This segment can be located anywhere along the pipeline.
- r. "Processed" shall mean that the gas is commercially free from dirt, hydrocarbon liquids, water and other substances which can be separated from the gas, and the gas shall have been dehydrated for removal of entrained water present therein in a vapor state.
- s. "Pre-cleaning Waste" means the waste generated from activities such as washing pipeline segment(s) with water or a detergent solution prior to the hydrostatic test and/or pre-pigging the segment(s) prior to the hydrostatic test.
- t. "Pipeline" is defined in Part 192.3 as all parts of those physical facilities through which gas moves in transportation, including pipe, valves, and other appurtenance attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders and fabricated assemblies.
- u. "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in productions.
- v. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, lack of preventive maintenance, or careless or improper operations.
- w. "Transmission Line" means a pipeline, other than gathering line, that: transports gas from a gathering line or storage facility to a distribution center or storage facility, operates at a hoop stress of 20 per cent or more of specified minimum yield strength, or transports gas within a storage field.
- x. "Transportation of Gas" is defined as the gathering, transmission or distribution of gas by pipeline or the storage of gas, in or affecting interstate or foreign commerce.

2. Monitoring

Monitoring shall be conducted according to analytical, apparatus and materials, sample collection, preservation, handling, etc., procedures listed at 40 CFR Part 136. Amendments to 40 CFR Part 136 promulgated after the effective date of this permit shall supersede these requirements as applicable.

3. Non-Compliance

Noncompliance reporting for upsets and bypasses shall be made within 24 hours to ADEQ followed by a written report in five days. Violations of daily maximum limitations for pollutants listed below will also be reported in 24 hours followed by a written report in five days. Violations of daily maximum limitations for all other pollutants identified elsewhere in this permit shall be reported in writing within five days.

4. Requiring an Individual NPDES Permit

a. At the discretion of the Director, he/she may require any owner or operator covered under this general permit to apply for and obtain an individual NPDES permit for reasons that include but are not limited to the following:

- (1) The discharger is a significant contributor of pollution;
- (2) The discharger is not in compliance with the conditions of the general permit;
- (3) Conditions or standards have changed so that the discharger no longer qualifies for a general permit;
- (4) Discharges into 303(d) listed stream segments is prohibited if the impairment was caused by any of the pollutants listed in the permit; and
- (5) If the total maximum daily load (TMDL) requirement is more stringent than this permit then permittee shall apply for an individual permit.

b. The owner or operator must be notified in writing that an application for an individual permit is required. When an individual NPDES permit is issued to an owner or operator otherwise covered under this general permit, the applicability of the general permit to that owner or operator automatically terminates upon the effective date of the individual NPDES permit.

c. Any owner or operator covered by this General Permit may request to be excluded from the coverage by applying for an individual NPDES permit.

5. Requesting General Permit Coverage

The owner or operator excluded from coverage by this general Permit solely because the facility already has an individual permit **may** request that the individual permit be terminated and that it be covered by this General Permit.

6. Reaffirmation of Permit Coverage

Periodically during the term of this permit and at the time of its reissuance, the permittee may be requested to reaffirm its desire to remain covered under this general permit. Failure of any facility to respond to a written request from the Director for reaffirmation shall constitute cause for revocation of discharge authorization under this permit.

7. Notification

Applicants must notify the Arkansas Natural Resources Commission, Water Management Division concerning any proposed hydrostatic testing. Notification can be made either by telephone at 501-682-3979 or through the website at www.aswcc.arkansas.gov.

**FINAL FACT SHEET
AND SUPPLEMENTARY INFORMATION
FOR DRAFT GENERAL PERMIT ARG6700000
HYDROSTATIC TESTING IN ARKANSAS**

Information in this part is organized as follows:

1. Background
2. Legal Basis
3. Permit Coverage
 - a. Notice of Intent to be Covered
 - b. Individual Permits
4. Discharge Characterization
 - a. Fill Water
 - b. Nature and Volume of Hydrostatic Test Water Discharges
 - c. Treatment Method
 - d. New Pipelines
 - e. Existing Pipelines
5. Best Conventional Pollutant Control Technology (BCT) and Best Available Technology Economically Achievable (BAT)
6. Water Quality Requirements
7. Permit Limits and Basis
8. Monitoring
9. Other Conditions
10. Public Comments Period

1. **BACKGROUND**

The ADEQ is beginning a process to update and reissue a general permit for hydrostatic testing which will expire on May 30, 2008. The State of Arkansas has been authorized by the U.S. Environmental Protection Agency to administer the National Pollutant Discharge Elimination System (NPDES) Program in Arkansas, including the issuance of general permits to categories of dischargers under the provisions of 40 CFR 122.28, as adopted by reference in ADEQ Regulation No. 6. Under this authority, ADEQ may issue a single general permit to a category of point sources located within the same geographic area where discharges warrant similar pollution control measures. Specifically, ADEQ is authorized to issue a general NPDES permit if there are a number of point sources operating in a geographic area that:

1. involve the same or substantially similar types of operations;
2. discharge the same types of wastes;
3. require the same effluent limitations or operating conditions;
4. require the same or similar monitoring requirements; and
5. in the opinion of the Director, are more appropriately controlled under a general permit than under individual permits.

Violation of any condition of a general permit constitutes a violation of the Arkansas Water and Air Pollution Control Act (Act 472 of 1949, as amended) and subjects the discharger to the penalties specified therein, revocation of the general permit and coverage under an individual NPDES permit. Upon promulgation of the final general permit for this type discharge, operators considered qualified for coverage under this general permit must submit a written notice of intent to the Director for coverage under the general permit.

2. **LEGAL BASIS**

Section 301(a) of the Clean Water Act (CWA or the Act), 33 U.S.C. 1311(a), makes it unlawful to discharge pollutants to waters of the United States in the absence of authorizing permits. CWA Section 402, 33 U.S.C. 1342, authorizes EPA to issue National Discharge Elimination System (NPDES) permits allowing discharges on condition they will meet certain requirements, including CWA sections 301, 304, and 401 (33 U.S.C. 1331, 1314 and 1341). Those statutory provisions state that NPDES permits must include effluent limitations requiring authorized discharges to: (1) meet standards reflecting levels of technological capability, (2) comply with EPA-approved state water quality standards and (3) comply with other state requirements adopted under authority retained by states under CWA 510, 33 U.S.C. 1370.

The Agency may issue "general permits" applicable to a class of similar dischargers within a discreet geographical area. ADEQ must comply with the substantive requirements of the CWA without regard to whether it is issuing an individual or general NPDES permit. National guidelines establishing BPT, BCT and BAT standards have not been promulgated for discharges from potable water treatment plants. The BCT and BAT requirements for these discharges have been established using best professional judgment, as required by CWA section 402(a)(1).

3. **PERMIT COVERAGE**

Facilities covered by this general permit include those facilities which engage in the hydrostatic testing of new pipelines or vessels, or those which have been used for the transport, transfer, or storage of potable water, natural gas, crude oil, liquid or gaseous petroleum hydrocarbons, or diesel, unleaded gasoline, natural gasoline, fuel oil, kerosene, jet fuel, naphtha, raffinate, toluene, gasoline additives, or diesel additives which would adequately be detected by the effluent limitations in this permit and which discharge wastewater as a result of these hydrostatic tests. Facilities covered include, but are not limited to, pipelines, flowlines, and storage tanks.

This general permit shall not apply to activities:

1. Producing and/or receiving wastewater from sources other than hydrostatic testing;
2. Producing wastewater containing substances that are not addressed by or would not be adequately detected by the effluent limits in this permit;
3. With pipelines using compressor lubricants containing polychlorinated biphenyls (PCBs);
4. Discharging into 303(d) listed stream segments if the impairment was caused by any of the pollutants listed in the permit;
5. Discharging into an Extraordinary Resource Water (ERW);

6. If the total maximum daily load (TMDL) requirement is more stringent than this permit. In these cases, the permittee shall apply for an individual permit; and
7. Discharge of wastewater in order to clean the pipeline.

a. Notice of Intent (NOI) to be Covered

A complete written Notice of Intent (NOI) from new dischargers, submitted to the Department at least 10 business days prior to the proposed discharge. Unless the applicant is notified otherwise by the Director, authority to discharge under this general permit will become effective within 10 business days of a complete submission of the above notification. The permittee shall request a copy of this general permit.

The Notice of Intent (NOI) form must be the form obtained from the ADEQ unless written approval is received for an optional form. The NOI shall include the following information:

- x. Name, address, and descriptive location of the facility;
- xi. Name of principal in charge of the facility;
- xii. Name of water receiving the discharge;
- xiii. Brief description of the activity resulting in the discharge including the anticipated duration of the discharge, anticipated volume and rate of discharge, and the source of water which is to be discharged;
- xiv. The material from which the pipeline/vessel was constructed (e.g. concrete pipe, glass lined steel tank, etc.);
- xv. Whether the vessel has been previously used or is of virgin material;
- xvi. A description of the fluid material normally contained and/or transported through the vessel;
- xvii. A map or schematic diagram showing the general area of the discharge; and
- xviii. A brief description of any corrosion inhibitors to be used, including a description of any potentially toxic constituents.

c. Individual Permits

The Regional Administrator may consider the issuance of individual permits according to the criteria in 40 CFR 122.28(b)(2). These criteria include:

1. The discharge(s) is a significant contributor of pollution;
2. The discharger is not in compliance with the terms and conditions of the general permit;
3. A change has occurred in the availability of demonstrated technology or practices for the control or abatement of pollutants applicable to the point source;
4. Effluent limitation guidelines are subsequently promulgated for the point sources covered by the general permit;
5. A Water Quality Management Plan containing requirements applicable to such point sources is approved;
6. The requirements listed in 40 CFR 122.28(a) and identified in the previous paragraphs are not met; or
7. Discharge of wastewater in order to clean the pipeline prior to the hydrostatic testing.

4. **DISCHARGE CHARACTERIZATION**

a. Fill Water

The fill water used in hydrostatic testing of pipelines may come from a wide range of sources. These sources include rivers, streams, lakes, ponds, wells, municipal water supplies and, for offshore portions of pipelines, marine waters. Often the hydrostatic test water is discharged back into the same water body from which it was taken. In these cases, the pollutants of concern will be those added to the fill water during the hydrostatic test. Where the fill water is discharged into a different water body from which it was taken, the pollutants of concern will not only be those added during the pipeline test, but also those contained in the fill water prior to the test.

b. Nature and Volume of Hydrostatic Test Water Discharges

Hydrostatic testing is performed by sealing the segments to be tested at both ends and providing a water fill location. After the pipeline is full, the pressure is increased to the desired level using a high pressure pump system. To check the integrity of the segments, the pressure is usually held for eight hours. Following the test, the pressure is released and the pipeline is dewatered by pushing a pig through the line using natural gas or air pressure. The test water discharges are, therefore, batch discharges. Since the test water discharges are batch discharges of short term duration, the limits in these permits will be in terms of daily maximum concentrations, as allowed by 40 CFR 122.45 (e) and (f).

c. Treatment Methods

Several methods of treating discharges from hydrostatic tests have been identified. The most common method is the utilization of a filtration system at the discharge point. Type of filter systems which may be employed include rock check dams, silt fence, screens, carbon filtration, or mechanical filtration. Air stripping or aerating has also been found to be effective way of reducing any hydrocarbons which may be present in the discharge. Also, cleaning the pipeline or vessel prior to the performance of the hydrostatic test, such as rinsing with a detergent solution or water, or mechanical scouring or “pigging”, is an effective method of reducing the amount of pollutants that will be discharged. This pre testing activity is not covered by this permit. In addition, some type of pH adjustment, such as acid or base additions may be utilized. Any treatment method utilized for permit compliance is not considered a “treatment facility” and therefore does not require operation by a state certified operator.

d. New Pipelines

New pipelines should be relatively free of pollutants that could be discharged along with the hydrostatic test water. Pollutants in the pipeline prior to the hydrostatic test may include construction debris, suspended solids from soil and welding solids, and lubricating oil.

e. Existing Pipelines

The major potential source of contamination in the discharged hydrostatic test water from existing pipelines includes hydrocarbon condensates which may contaminate the test water include benzene, toluene, xylene, residues of oil and grease, and BTEX.

5. **BEST CONVENTIONAL POLLUTANT CONTROL TECHNOLOGY (BCT) AND BEST AVAILABLE TECHNOLOGY ECONOMICALLY ACHIEVABLE (BAT)**

Two types of technology-based effluent limitations must be included in the permits proposed here. With regard to conventional pollutants, i.e., pH, BOD, oil and grease, TSS and fecal coliform, CWA section 301 (b)(1)(E) requires effluent limitations based on "best conventional pollution control technology" (BCT). With regard to non-conventional and toxic pollutants, CWA section 301(b)(2)(A), (C), and (D) require effluent limitations based on "best available pollution control technology economically achievable" (BAT), a standard which generally represents the best performing existing technology in an industrial category or subcategory. BAT and BCT effluent limitations may never be less stringent than corresponding effluent limitations based on best practicable control technology (BPT), a standard applicable to similar discharges prior to March 31, 1989 under CWA 301(b)(1)(A).

Frequently, EPA adopts nationally applicable guidelines identifying the BPT, BCT, and BAT standards to which specific industrial categories and subcategories are subject. Until such guidelines are published, however, CWA section 402(a)(1) requires that EPA determine appropriate BCT and BAT effluent limitations in its NPDES permitting actions on the basis of its best professional judgment.

6. **WATER QUALITY REQUIREMENTS**

In accordance with 40 CFR 122.44(d), the Department is required to include any requirements necessary to achieve State Water Quality Standards as established under Section 303 of the Clean Water Act. Discussed below is the requirements based on State Water Quality Standards.

7. **PERMIT LIMITS AND BASIS**

The wastewater discharged from hydrostatic testing of pipelines or vessels may contain a variety of pollutants. Final effluent limitations in this General Permit were established using Best Engineering Judgment pursuant to 40 CFR 125.3, and are consistent with the requirements of 40 CFR 122.44(d) and APCEC Regulation No. 2. The following effluent limitations and discharge requirements have been included in the draft general permit. A detailed explanation of the derivation of each parameter can be found in the paragraphs that follow.

- a. The following pollution abatement steps shall be taken by the permittee in the discharge of hydrostatic pipeline testing waters:

<u>Effluent Characteristics</u>	<u>Daily Maximum</u>	<u>Sample Type</u> ¹
Flow	Report MGD	Record
Total Suspended Solids (TSS)	45 mg/l	Grab
Oil and Grease (O&G)	15 mg/l	Grab
Total Organic Carbon (TOC) ²	50 mg/l	Grab
Benzene ²	50 µg/l	Grab
Total BTEX ^{2,3}	100 µg/l	Grab
pH (s.u.)	Within the range of 6.0 – 9.0	Grab

¹ The grab sample shall be taken at the end of each batch discharge where the First In, Last Out method is used for filling and discharging the hydrostatic test water from the pipeline segment(s) being tested. The grab sample shall be taken at the beginning of each batch discharge where the First In, First Out method is used.

² TOC, BTEX, and Benzene limit applies only to discharge from pipe/vessels which have previously been in service-i.e., those facilities which are not new.

³ BTEX shall be measured as the sum of benzene, toluene, Ethylbenzene, and total xylene (including ortho-, meta-, and para-xylene) as quantified by EPA methods 601, 602, 624, or 1624.

- b. The permittee shall not discharge if the above limits can not be met.
- c. There shall be no discharge of any wastewater except those resulting from hydrostatic testing of pipelines or other fluid vessels.
- d. The permittee shall take all necessary steps to prevent or minimize stream channel scouring or erosion of materials and soils into surface waters caused by the discharge.
- e. There shall be no discharge of floating solids or visible foam other than trace amounts.
- f. All waters shall be treated to remove suspended solids, turbidity and color to a level consistent with the receiving stream.
- g. No chemicals, toxic pollutants or any priority pollutants in 40 CFR Part 122 Appendix D are to be added to the discharge unless prior permission for the use of the additive is specifically granted by the Director.
- h. No polychlorinated biphenyls (PCB) shall be contained in compressor lubricants.
- i. The discharge of hydrostatic test water to which treatment chemicals, corrosion inhibitors or biocides have been added is prohibited.

Benzene

Benzene shall be included in the general permit as an effluent limit for discharge from facilities which have been used for the storage or transportation of liquid or gaseous petroleum hydrocarbons because it is a typical pollutant in hydrostatic test wastewater discharge from these types of facilities. The technology-based (BPJ) limit for Benzene has been based on the current NPDES permit, and 40 CFR Part 122.44(l). This limitation is judged to represent the level of treatment attainable through the application of the best available technology economically achievable (BAT).

Oil and Grease

The water quality-based limit for oil and grease has been based on the current NPDES permit, the Arkansas Water Quality Standards (AWQS), Regulation No. 2, Section 2.510, and 40 CFR Part 122.44(l). This limitation is judged to represent the level of treatment attainable through the application of the best conventional pollutant control technology (BCT).

TSS

TSS is a pollutant of major concern in discharge from the hydrostatic testing of new and used pipelines or vessels. The waste stream may contain construction debris, scale, suspended solids from soil, or welding solids from within the container. The technology-based (BPJ) limit for TSS has been based on the current NPDES permit and 40 CFR Part 122.44(l). This limitation is judged to represent the level of treatment attainable through the application of the best conventional pollutant control technology (BCT).

pH

The water quality-based limits for pH have been based on the current NPDES permit, the Arkansas Water Quality Standards (AWQS), Regulation No. 2, Section 2.504, and 40 CFR Part 122.44(l). These limitations are judged to represent the level of treatment attainable through the application of the best conventional pollutant control technology (BCT).

TOC

The technology-based (BPJ) limit for TOC has been included in this general permit for discharges from facilities which have previously been in service. The total amount of organically bound carbon will be more clearly measured using TOC, which will be limited under BAT. This effluent limit can be found in the EPA Region VI storm water guidance document, the Louisiana Hydrostatic testing, and Groundwater Remediation general permits. This limitation is judged to represent the level of treatment attainable through the application of the best conventional pollutant control technology (BCT).

Total BTEX

Another pollutant of concern in pipelines or vessels which were used for the storage or transportation of liquid or gaseous petroleum hydrocarbons is Total BTEX. Although benzene will be monitored and reported separately, other BTEX components may be present in hydrostatic test waters from such facilities, such as toluene and xylene in used natural gas pipelines. Therefore, an effluent limit for Total

BTEX will be included. The GRI study, which was mentioned previously, also illustrates that BTEX can be a pollutant of particular concern in used pipelines. Therefore, a BAT effluent limit of 100 ug/l has been established for Total BTEX and it will be included in the general permit for hydrostatic test wastewater discharges from existing pipelines and/or vessels. This is the same effluent limit for Total BTEX which was in the Arkansas General Permit for groundwater Clean-Up Operations (ARG790000.)

8. **MONITORING**

Requirements for sample type and sampling frequency have been based on the current NPDES permit.

9. **OTHER CONDITIONS**

a. Eligibility and Authorization

Owners and operators engaged in hydrostatic testing in the State of Arkansas are eligible for coverage under this general permit.

b. Expiration Date

This general permit will expire 5 years from the effective date of the permit.

c. Standard Conditions

The conditions applicable to all NPDES permits under the provisions of 40 CFR 122.41 have been included in this General Permit, as appropriate.

**RESPONSE TO COMMENTS
FINAL PERMITTING DECISION**

Response to comments received on the subject draft permit in accordance with regulations promulgated at 40 CFR Part 124.17 are as follows:

Permit No.: ARG670000 – Hydrostatic Test Water Discharge General Permit

Prepared by: Kimberly A. Fuller, PE, CPESC

Public Notice Date: The draft permit was publicly noticed on May 15, 2008.

Date Prepared: June 26, 2008

The following comments have been received on the draft permit:

Letter from Steven Liddell, Arkansas Western Gas Company to the ADEQ received June 3, 2008.

ISSUE #1

Arkansas Western Gas (AWG) Company has participated in ADEQ's Hydrostatic Test Water Discharge program since its first development. AWG has established a successful record with the department in regards to meeting the general permit limits and we understand the need for the department to control repeated discharges above these limits. At this time we would like to make the following comment for the department's consideration.

Item I.B.3 Initial sampling must be conducted prior to discharge. If sampling indicates that the hydrostatic test water can not meet the above effluent characteristics, the test water must either be treated to within the permit limits or captured and not allowed to discharge.

Comment:

This proposed pre-discharge sampling requirement will not solve the problem and will cost companies that are meeting their permit limits both time and money. Leaving test water in the pipeline while waiting for analysis, will further degrade the test water with rust. Testing the water from the pipe will not provide a representative analysis of the test water as it moved through the pipeline by means of a pig. It is the movement of water being pushed through the pipe by the pig during the discharge that concentrates the rust and settlement. Leaving water in the pipe while waiting for analysis will create additional rust and make treatment even more difficult.

A better solution might be the requirement of submitting a treatment plan with a company's initial NOI under these new requirements. If a different treatment method other than the initial plan was needed for a discharge, companies could be required to submit the new method plan for approval. This would provide a better understanding of what is working for individual companies and what is not. This requirement would also allow ADEQ to deny a permit request if the submitted treatment plan has had a history of failures by individual companies.

RESPONSE #1

The staff agrees to remove the initial testing requirement. Please be aware that by signing the Notice of Intent (NOI) for permit coverage, the permittee is certifying that all limits and conditions of the general permit will be met. In addition, the following condition has been added to the Effluent Limits section of the final permit to reiterate that a hydrostatic test discharge is only allowed under the general permit if the limits can be met.

Part I.B.2

The permittee shall not discharge if the above limits can not be met.

Letter from Don Gatewood, Chesapeake Energy Marketing, Inc. – Midstream Operations to the ADEQ received June 13, 2008.

ISSUE #2

Draft Permit Part I A 2 a – Separate permit for every location

A separate permit for each location is unwieldy for the gas gathering industry. We constantly build short lines and often discharge test water from 1-4 locations every week. Locking in a discharge point several weeks prior to the event is very difficult due to construction problems and terrain encountered. Currently this forecasting is required to have the permit approved by the time of release.

Chesapeake proposes either of the two options below.

- A location change option that could quickly notify the ADEQ of a different discharge point without a lengthy review process.
 - A simple notification of change form to amend the issued permit
- A state wide blanket permit limited to:
 - virgin vessels
 - With
 - identical exclusion and compliance requirements currently in place

This would reduce paperwork for ADEQ and the gas industry yet maintain environmental water quality.

A fee could be levied to initiate the permit with an additional fee for each DMR to keep fees proportional to activity. Through this mechanism ADEQ could monitor discharge frequency, retain permit revenues, and provide flexibility to the industry. Only the unannounced inspection option would be lost which is actually infeasible since releases are extremely unpredictable and brief.

RESPONSE #2

The staff agrees in part. The permit has been modified to include provisions allowing the issuance of one permit for one project which may include multiple discharge locations. The permittee must include all of the information for each discharge location on the original Notice of Intent (NOI) submitted for permit coverage for

that project. Additional outfalls can not be added at a later time under the same permit. The following additions and revisions have been included in the final permit.

Permit Cover Page

Operators Engaged in ~~One-Time~~ Hydrostatic Testing Located within the State of Arkansas ~~at a Specific Site~~

Part I.A.2.a

Facilities covered by this general permit include those facilities which engage in the hydrostatic testing of new pipelines or vessels, or those which have been used for the transport, transfer, or storage of potable water, natural gas, crude oil, liquid or gaseous petroleum hydrocarbons, or diesel, unleaded gasoline, natural gasoline, fuel oil, kerosene, jet fuel, naphtha, raffinate, toluene, gasoline additives, or diesel additives which would adequately be detected by the effluent limitations in this permit and which discharge wastewater as a result of these hydrostatic tests. Facilities covered include, but are not limited to, pipelines, flowlines, and storage tanks. ~~A separate permit must be obtained for each discharge location.~~

Part I.A.3.f

*This general permit may provide either site specific or project specific authorization to discharge. Permittees who conduct hydrostatic testing at more than one location for a specific project may obtain project-wide coverage (i.e., more than one outfall) under this permit for discharges related to those testing activities provided the testing activities are all conducted within the same county. The NOI submitted for permit coverage must contain all of the discharge information (i.e., location, duration, volume, receiving stream, etc.) for each testing location. Please note that future additional outfalls not included in the original NOI must be included on a new NOI and obtain separate permit coverage. **Please be aware that the sampling required in Part I.B.1 below must be conducted during each discharge.***

ISSUE #3

Draft Permit Part I B – Each permit authorizes one discharge

This change will generate substantially more permitting effort for the gas gathering industry and ADEQ. Loss of the option to have multiple tests and releases under the same permit produces repetitive filings for the same pipeline and location.

Not infrequently a line is partially built and tested so a well can start flowing immediately. At a later date the project is completed. The added word “once” to this sentence will now mandate an additional permit for the same line.

Chesapeake does not think this is the intention of the added word.

Frequently lines are built, tested and later extended. The extension is the same kind of new pipe in the same place that was previously permitted. Sometimes we anticipate the extension while other times the need develops later.

Chesapeake would like the option to test and release in the same location without submitting an additional permit for essentially the same line if:

- The permit covers a partially completed line and all NOI factors are unchanged

This flexibility will not affect either water quality or monitoring capability by the ADEQ since a separate DMR is filed for each release. A fee could be levied to initiate the permit with an additional fee for each additional DMR to keep fees proportional to activity. Through this mechanism ADEQ could monitor discharge frequency, retain permit revenues, and provide flexibility to the industry. Only the unannounced inspection option would be lost which is actually infeasible since releases are extremely unpredictable and brief.

Chesapeake proposal

ADEQ add permit language that allows multiple releases from the same location under one permit. Each release would have a separate set of tests and subsequent discharge monitoring report.

RESPONSE #3

The staff agrees. The word “*once*” was removed from Part I.B. A permittee may discharge multiple times under one permit tracking number as long as the discharge is in the same exact location with the same coordinates as was permitted. Please be aware that sampling must be conducted for each discharge.

ISSUE #4

Draft Permit Part I B 3 – Initial sampling prior to discharge

Typically a line is dewatered within 12 -18 hours of a successful hydrostatic test. A requirement to obtain water quality test results prior to discharge will produce a 1-3 day delay in bringing the line into service. This can be a significant loss of revenue to a gas gathering company.

Chesapeake believes this is an unwarranted precaution for water from virgin lines. The enclosed laboratory reports reveal no indication of significant pH or oil & grease changes resulting from contact with virgin pipelines. We already know TSS values frequently increase during the hydrostatic testing process. Controls are routinely employed to deal with the TSS parameter.

The sampling protocol required in the previous and draft permit is the first in last out (FILO) method. The primary parameter of concern in virgin lines is TSS. This is only elevated during the discharge process when a moving pig under air pressure agitates the water as it is pushed out of the pipe. Preliminary sampling is not representative of the actual discharged water because TSS settles during the 24-48 hours it rests in the lines. Therefore sampling for TSS prior to the agitation incurred by the discharging process will inevitably yield false low values.

Additional cost will be incurred through idled crews, expense of extra holding tanks where volume is small enough to allow the capture of water while laboratory tests are completed, and the cost of expedited laboratory fees. It represents a substantial increase in overhead costs with no attendant benefits.

Chesapeake proposes

ADEQ remove the pre-discharge sampling requirement Part I B 3.

RESPONSE #4

The staff agrees. Please see Response #1 above.

ISSUE #5**Fact Sheet 4 c– Operation of a filtration system**

Please clarify that a final filtration system used to meet discharge permit parameters is not considered a “treatment facility” for this application and therefore operation by a state certified operator is not required.

RESPONSE #5

The staff agrees. As a clarification, a final filtration system is considered a “treatment facility”, but in the context of this permit, this type of treatment is considered a Best Management Practice (BMP) and therefore does not fall under the requirement for a certified operator.

The following comments were received after the close of the comment period. The comments are being addressed, but due to the lateness of the comments, the commenter is excluded from appealing the Department’s final permit decision.

Letter from Keith Jordan, Southwestern Energy Company to the ADEQ received June 19, 2008.

ISSUE #6**Part I, Section A(2)(a) Eligibility**

A separate permit must be obtained for each discharge location. Would it be possible to include up to 3 potential outfalls when submitting a single NOI? Though the receiving water might differ, the amount and quality of the water discharge would remain the same.

RESPONSE #6

The staff agrees in part. Please see Response #2 above.

ISSUE #7**Part I, Section B(3) Initial sampling must be conducted prior to discharge.**

Upon completion of the hydrostatic test, it is important to discharge the water out of the pipeline as soon as possible to maintain water quality and to allow the pipeline to be placed in service. Delaying the discharge

while awaiting initial sampling results will not be feasible for our operations. In addition, leaving the test water in the pipe while awaiting analytical results will add to TSS concentrations. Through experience, the longer test water remains, the more rust develops and the greater the TSS. Finally, a loss of revenue is created due to having to retain the water while awaiting analytical results. For example, consider a recently completed hydrostatic test project on a gathering line that carries 1400 mcf of gas per day. That volume of gas equates to \$12,000 per day gross or \$6,000 per day net. Average sample turnaround time is 7-days, thus the financial impact of this rule in this instance would be \$42,000 net.

RESPONSE #7

The staff agrees. Please see Response #1 above.

ISSUE #8

Part II Section E(7) Notification

Why must the applicant notify the Arkansas Natural Resource Commission of any proposed Hydrostatic Testing?

RESPONSE #8

The Arkansas Natural Resource Commission has regulatory authority over the quantity of water in surface waters in the State of Arkansas. Notification of all hydrostatic tests in the state will ensure that the appropriate permits from their agency are obtained for any potential extraction of water from a stream.

ISSUE #9

General Questions

- 1) Would it be possible for ADEQ to create a blanket permit which may be applied for on a county basis, rather than an individual project basis?
- 2) Where test water is allowed to absorb across a ground surface in lieu of a direct discharge to a stream is it not possible to have higher permitted TSS discharge values?

RESPONSE #9

- 1) A statewide/county-wide blanket permit for multiple projects is not possible at the current time. The Department has agreed with Response #2 above to allow project-wide permit coverage as long as all of the discharge locations for the project occur in the same county and the information for all the outfalls is contained in the NOI.
- 2) An increase in TSS effluent limits is not possible at this time. The effluent limits in Part II.B of the general permit are discharge limits which are applicable whether the discharge is directly into a receiving stream or to ground water.