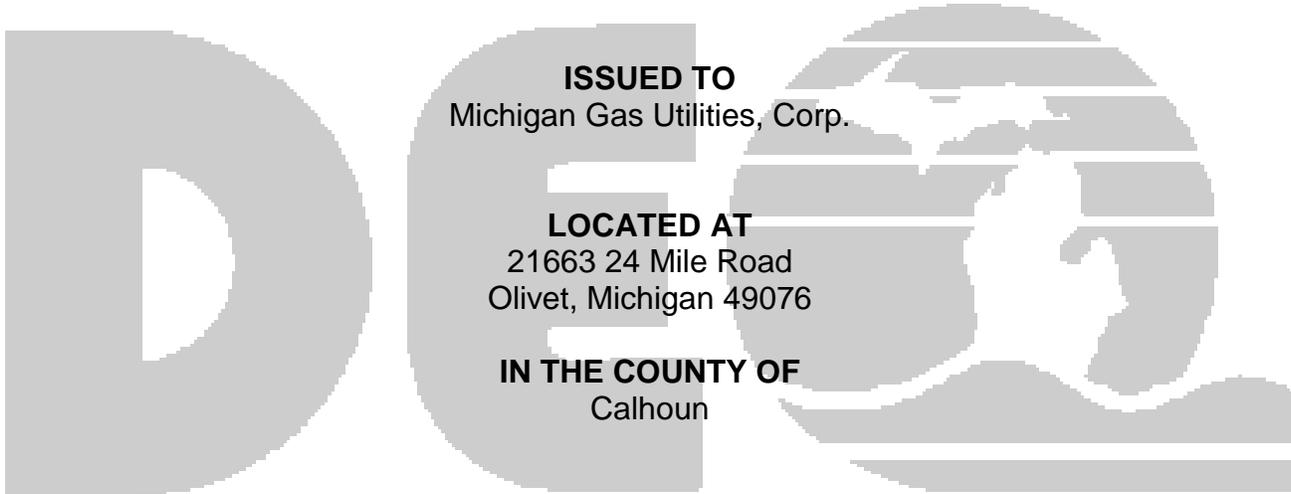


**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION**

April 30, 2008

**PERMIT TO INSTALL
No. 527-97E**



ISSUED TO
Michigan Gas Utilities, Corp.

LOCATED AT
21663 24 Mile Road
Olivet, Michigan 49076

IN THE COUNTY OF
Calhoun

STATE REGISTRATION NUMBER
N6015

The Air Quality Division has approved this Permit to Install, pursuant to the delegation of authority from the Michigan Department of Environmental Quality. This permit is hereby issued in accordance with and subject to Section 5505(1) of Article II, Chapter I, Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Pursuant to Air Pollution Control Rule 336.1201(1), this permit constitutes the permittee's authority to install the identified emission unit(s) in accordance with all administrative rules of the Department and the attached conditions. Operation of the emission unit(s) identified in this Permit to Install is allowed pursuant to Rule 336.1201(6).

DATE OF RECEIPT OF ALL INFORMATION REQUIRED BY RULE 203: 4/8/2008	
DATE PERMIT TO INSTALL APPROVED: 4/30/2008	SIGNATURE:
DATE PERMIT VOIDED:	SIGNATURE:
DATE PERMIT REVOKED:	SIGNATURE:

PERMIT TO INSTALL

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Common Abbreviations / Acronyms

Common Acronyms		Pollutant/Measurement Abbreviations	
AQD	Air Quality Division	Btu	British Thermal Unit
ANSI	American National Standards Institute	°C	Degrees Celsius
BACT	Best Available Control Technology	CO	Carbon Monoxide
CAA	Clean Air Act	dscf	Dry standard cubic foot
CEM	Continuous Emission Monitoring	dscm	Dry standard cubic meter
CFR	Code of Federal Regulations	°F	Degrees Fahrenheit
COM	Continuous Opacity Monitoring	gr	Grains
EPA	Environmental Protection Agency	Hg	Mercury
EU	Emission Unit	hr	Hour
FG	Flexible Group	H ₂ S	Hydrogen Sulfide
GACS	Gallon of Applied Coating Solids	hp	Horsepower
GC	General Condition	lb	Pound
HAP	Hazardous Air Pollutant	m	Meter
HVLP	High Volume Low Pressure*	mg	Milligram
ID	Identification	mm	Millimeter
LAER	Lowest Achievable Emission Rate	MM	Million
MACT	Maximum Achievable Control Technology	MW	Megawatts
MAERS	Michigan Air Emissions Reporting System	ng	Nanogram
MAP	Malfunction Abatement Plan	NO _x	Oxides of Nitrogen
MDEQ	Michigan Department of Environmental Quality	PM	Particulate Matter
MIOSHA	Michigan Occupational Safety & Health Administration	PM-10	Particulate Matter less than 10 microns diameter
MSDS	Material Safety Data Sheet	pph	Pound per hour
NESHAP	National Emission Standard for Hazardous Air Pollutants	ppm	Parts per million
NSPS	New Source Performance Standards	ppmv	Parts per million by volume
NSR	New Source Review	ppmw	Parts per million by weight
PS	Performance Specification	psia	Pounds per square inch absolute
PSD	Prevention of Significant Deterioration	psig	Pounds per square inch gauge
PTE	Permanent Total Enclosure	scf	Standard cubic feet
PTI	Permit to Install	sec	Seconds
RACT	Reasonably Available Control Technology	SO ₂	Sulfur Dioxide
ROP	Renewable Operating Permit	THC	Total Hydrocarbons
SC	Special Condition	tpy	Tons per year
SCR	Selective Catalytic Reduction	µg	Microgram
SRN	State Registration Number	VOC	Volatile Organic Compounds
TAC	Toxic Air Contaminant	yr	Year
TEQ	Toxicity Equivalence Quotient		
VE	Visible Emissions		

* For High Volume Low Pressure (HVLP) applicators, the pressure measured at the HVLP gun air cap shall not exceed ten (10) pounds per square inch gauge (psig).

GENERAL CONDITIONS

1. The process or process equipment covered by this permit shall not be reconstructed, relocated, or modified, unless a Permit to Install authorizing such action is issued by the Department, except to the extent such action is exempt from the Permit to Install requirements by any applicable rule. **(R 336.1201(1))**
2. If the installation, construction, reconstruction, relocation, or modification of the equipment for which this permit has been approved has not commenced within 18 months, or has been interrupted for 18 months, this permit shall become void unless otherwise authorized by the Department. Furthermore, the permittee or the designated authorized agent shall notify the Department via the Supervisor, Permit Section, Air Quality Division, Michigan Department of Environmental Quality, P.O. Box 30260, Lansing, Michigan 48909, if it is decided not to pursue the installation, construction, reconstruction, relocation, or modification of the equipment allowed by this Permit to Install. **(R 336.1201(4))**
3. If this Permit to Install is issued for a process or process equipment located at a stationary source that is not subject to the Renewable Operating Permit program requirements pursuant to R 336.1210, operation of the process or process equipment is allowed by this permit if the equipment performs in accordance with the terms and conditions of this Permit to Install. **(R 336.1201(6)(b))**
4. The Department may, after notice and opportunity for a hearing, revoke this Permit to Install if evidence indicates the process or process equipment is not performing in accordance with the terms and conditions of this permit or is violating the Department's rules or the Clean Air Act. **(R 336.1201(8), Section 5510 of Act 451, PA 1994)**
5. The AQD District Supervisor shall be notified, in writing, of a change in ownership or operational control of the stationary source or emission unit(s) authorized by this Permit to Install pursuant to R 336.1219. The notification shall include all of the information required by R 336.1219(1)(a) and (b). In addition, a new owner or operator must submit a written statement pursuant to R 336.1219(1)(c), agreeing to and accepting the terms and conditions of this Permit to Install, and shall notify the AQD District Supervisor of any change in the contact person for this Permit to Install. **(R 336.1219)**
6. Operation of this equipment shall not result in the emission of an air contaminant which causes injurious effects to human health or safety, animal life, plant life of significant economic value, or property, or which causes unreasonable interference with the comfortable enjoyment of life and property. **(R 336.1901)**
7. The permittee shall provide notice of an abnormal condition, start-up, shutdown, or malfunction that results in emissions of a hazardous or toxic air pollutant which continue for more than one hour in excess of any applicable standard or limitation, or emissions of any air contaminant continuing for more than two hours in excess of an applicable standard or limitation, as required in Rule 912, to the Department. The notice shall be provided not later than two business days after start-up, shutdown, or discovery of the abnormal condition or malfunction. Written reports, if required, must be filed with the Department within 10 days after the start-up or shutdown occurred, within 10 days after the abnormal conditions or malfunction has been corrected, or within 30 days of discovery of the abnormal condition or malfunction, whichever is first. The written reports shall include all of the information required in Rule 912(5). **(R 336.1912)**

8. Approval of this permit does not exempt the permittee from complying with any future applicable requirements which may be promulgated under Part 55 of 1994 PA 451, as amended or the Federal Clean Air Act.
9. Approval of this permit does not obviate the necessity of obtaining such permits or approvals from other units of government as required by law nor does it affect any liability for past violations under the Natural Resources and Environmental Protection Act, 1994 PA 451.
10. Operation of this equipment may be subject to other requirements of Part 55 of 1994 PA 451, as amended and the rules promulgated thereunder.
11. Except as provided in subrules (2) and (3) or unless the special conditions of the Permit to Install include an alternate opacity limit established pursuant to subrule (4) of R 336.1301, the permittee shall not cause or permit to be discharged into the outer air from a process or process equipment a visible emission of density greater than the most stringent of the following. The grading of visible emissions shall be determined in accordance with R 336.1303. **(R 336.1301)**
 - a) A six-minute average of 20 percent opacity, except for one six-minute average per hour of not more than 27 percent opacity.
 - b) A visible emission limit specified by an applicable federal new source performance standard.
 - c) A visible emission limit specified as a condition of this Permit to Install.
12. Collected air contaminants shall be removed as necessary to maintain the equipment at the required operating efficiency. The collection and disposal of air contaminants shall be performed in a manner so as to minimize the introduction of contaminants to the outer air. Transport of collected air contaminants in Priority I and II areas requires the use of material handling methods specified in R 336.1370(2). **(R 336.1370)**
13. The Department may require the permittee to conduct acceptable performance tests, at the permittee's expense, in accordance with R 336.2001 and R 336.2003, under any of the conditions listed in R 336.2001. **(R 336.2001)**

SPECIAL CONDITIONS

Emission Unit Identification

Emission Unit ID	Emission Unit Description	Stack Identification
EU-METHANOL	8,820 gallon methanol storage tank (note this tank meets the Rule 290 exemption from Rule 201)	N/A
EU-DEHY03	Partello-Anderson dehydration system consisting of a contactor tower, glycol pump, flash tank (emissions are routed to the reboiler burner), glycol regeneration still (emissions are controlled by condensation), and gas fired glycol reboiler.	SV-DEHY03 still vent
EU-DEHY02	Cortright-Lee dehydration system consisting of a contactor tower, glycol pump, flash tank (emissions are routed to the reboiler burner), glycol regeneration still (emissions are controlled by condensation), and gas fired glycol reboiler.	SV-DEHY02 still vent
EU-Engine03	400 brake horsepower natural gas fired reciprocating engine	SV-Engine03
EU-Engine05	750 brake horsepower natural gas fired reciprocating engine	SV-Engine05
EU-Engine06	1,085 brake horsepower natural gas fired reciprocating engine	SV-Engine06
Changes to the equipment described in this table are subject to the requirements of R 336.1201, except as allowed by R 336.1278 to R 336.1290.		

Flexible Group Identification

Flexible Group ID	Emission Units Included in Flexible Group	Stack Identification
FG-ENGINES	EU-Engine03, EU-Engine05, EU-Engine06	NA
FG-FACILITY	All process equipment at the facility including equipment covered by other permits, grand-fathered equipment and exempt equipment.	NA

The following conditions apply to: EU-DEHY03 and EU-DEHY02

Emission Limits Emission Limits

	Pollutant	Limit	Time Period	Equipment	Testing/ Monitoring Method	Applicable Requirement
1.1a	VOC	5.7 tpy	12-month rolling time period as determined at the end of each calendar month	EU-DEHY03	SC 1.5, 1.6, 1.8, 1.10	R 336.1702(a)
1.1b	VOC	5.9 tpy	12-month rolling time period as determined at the end of each calendar month	EU-DEHY02	SC 1.5, 1.6, 1.8, 1.10, 1.11	R 336.1702(a)
1.1c	Benzene	0.90 tpy	12-month rolling time period as determined at the end of each calendar month	EU-DEHY03	SC 1.5, 1.6, 1.9, 1.10	R 336.1225
1.1d	Benzene	0.99 tpy	12-month rolling time period as determined at the end of each calendar month	EU-DEHY02	SC 1.5, 1.6, 1.9, 1.10, 1.11	R 336.1901

Process/Operational Limits

- 1.2 The permittee shall not operate EU-DEHY02 for more than 8,232 hours per 12-month rolling time period as determined at the end of each calendar month. **(R 336.1702(a), R 336.1225, R 336.1901)**

Equipment

- 1.3 The permittee shall not process natural gas in EU-DEHY03 or EU-DEHY02 unless the still vent exhaust gas is routed through a downcomer and the exhaust gas temperature is 90 F or less, as determined in accordance with SC 1.6. **(R 336.1702(a), R 336.1225, R 336.1901)**
- 1.4 The permittee shall not operate EU-DEHY03 or EU-DEHY02 unless the flash tank is installed and operating properly. Proper operation includes volatilizing the organic compounds out of the rich glycol stream and routing them to the EU-DEHY03 or EU-DEHY02 reboiler burner, respectively. **(R 336.1702(a), R 336.1225, R 336.1901, R 336.1910)**

Testing

- 1.5 At least once each calendar year the permittee shall obtain, by sampling, an analysis of the wet gas stream for each dehydrator. The permittee shall analyze the sample for nitrogen, carbon dioxide, hydrogen sulfide, C1 through C6 series hydrocarbons, benzene, toluene, xylene, ethylbenzene, and heptanes plus. The permittee must submit any request for a change in the sampling frequency to the AQD District Supervisor for review and approval. **(R 336.1225, R 336.1702(a), R 336.1901)**

Monitoring

- 1.6 The permittee shall install, calibrate, maintain and operate in a satisfactory manner a device to monitor and record the exhaust gas temperature of each dehydrator downcomer on a daily basis, while the dehydrator is processing natural gas. **(R 336.1702(a), R 336.1225, R 336.1901, R 336.1910)**

Recordkeeping/Reporting/Notification

- 1.7 The permittee shall complete all required calculations in a format acceptable to the AQD District Supervisor by the 15th day of the calendar month, for the previous calendar month, unless otherwise specified in any recordkeeping, reporting or notification special condition. **(R 336.1225, R 336.1702(a), R 336.1901)**
- 1.8 The permittee shall keep, in a satisfactory manner, monthly and previous 12-month VOC emission calculation records for EU-DEHY03 and EU-DEHY02, as required by SC 1.1a and 1.1b. Emission rates may be calculated based on the most updated version of GRI-GLYCalc™ and using the actual operating conditions as inputs to the model. All records shall be kept on file for a period of at least five years and made available to the Department upon request. **(R 336.1702(a))**
- 1.9 The permittee shall keep, in a satisfactory manner, monthly and previous 12-month benzene emission calculation records for EU-DEHY03 and EU-DEHY02, as required by SC 1.1c and 1.1d. Emission rates may be calculated based on the most updated version of GRI-GLYCalc™ and using the actual operating conditions as inputs to the model. All records shall be kept on file for a period of at least five years and made available to the Department upon request. **(R 336.1225, R 336.1901)**

1.10 The permittee shall keep, in a satisfactory manner, daily records of the exhaust gas temperature of each dehydrator downcomer, as required by SC 1.6. All records shall be kept on file for a period of at least five years and made available to the Department upon request. **(R 336.1702(a), R 336.1225, R 336.1901, R 336.1910)**

1.11 The permittee shall keep, in a satisfactory manner, the monthly and previous 12-month hours of operation for EU-DEHY02. All records shall be kept on file for a period of at least five years and made available to the Department upon request. **(R 336.1225, R 336.1702(a), R 336.1901)**

Stack/Vent Restrictions

	Stack & Vent ID	Maximum Diameter (inches)	Minimum Height Above Ground Level (feet)	Applicable Requirement
1.12a	SV-DEHY03 still vent	3	33	R 336.1225
1.12b	SV-DEHY02 still vent	3	33	R 336.1901
The exhaust gases shall be discharged unobstructed vertically upwards to the ambient air.				

The following conditions apply to: FG-ENGINES

Emission Limits

	Pollutant	Limit	Time Period	Equipment	Testing/Monitoring Method	Applicable Requirement
2.1a	NOx	35.2 tpy	12-month rolling time period as determined at the end of each calendar month	EU-Engine03	SC 2.2, SC 2.3	R 336.1205(3), 40 CFR 52.21 (c) & (d)
2.1b	NOx	45.5 tpy	12-month rolling time period as determined at the end of each calendar month	EU-Engine05	SC 2.2, SC 2.3	R 336.1205(3), 40 CFR 52.21 (c) & (d)
2.1c	NOx	19.8 tpy	12-month rolling time period as determined at the end of each calendar month	EU-Engine06	SC 2.2, SC 2.3	R 336.1205(3), 40 CFR 52.21 (c) & (d)

Recordkeeping / Reporting / Notification

2.2 The permittee shall keep, in a satisfactory manner, monthly and previous 12-month NOx emission calculation records for each engine included in FG-ENGINES, as required by SC 2.1a-c. All records shall be kept on file for a period of at least five years and made available to the Department upon request. **(R 336.1205(3), 40 CFR 52.21(c) and (d))**

2.3 The permittee shall keep, in a satisfactory manner, monthly and previous 12-month hours of operation and fuel consumption for each engine included in FG-ENGINES. All records shall be kept on file for a period of at least five years and made available to the Department upon request. **(R 336.1205(3), 40 CFR 52.21(c) and (d))**

Stack/Vent Restrictions

	Stack & Vent ID	Maximum Diameter (inches)	Minimum Height Above Ground Level (feet)	Applicable Requirement
2.4a	SV-Engine03	6	19.7	40 CFR 52.21 (c) & (d)
2.4b	SV-Engine05	8	13	40 CFR 52.21 (c) & (d)
2.4c	SV-Engine06	12	13.3	40 CFR 52.21 (c) & (d)
The exhaust gases shall be discharged unobstructed vertically upwards to the ambient air.				

The following conditions apply to: FG-FACILITY

Emission Limits Emission Limits

	Pollutant	Limit	Time Period	Equipment	Testing/ Monitoring Method	Applicable Requirement
3.1a	CO	89.9 tpy	12-month rolling time period as determined at the end of each calendar month	FG-FACILITY	SC3.2	R 336.1205(3)
3.1b	VOC	20 tpy	12-month rolling time period as determined at the end of each calendar month	FG-FACILITY	SC 3.2	R 336.1205(3)
3.1c	NOx	80 tpy	12-month rolling time period as determined at the end of each calendar month	FG-FACILITY	SC 3.2	R 336.1205(3)
3.1d	Individual HAPs	9.0 tpy	12-month rolling time period as determined at the end of each calendar month	FG-FACILITY	SC 3.3	R 336.1205(3)
3.1e	Total HAPs	20 tpy	12-month rolling time period as determined at the end of each calendar month	FG-FACILITY	SC 3.3	R 336.1205(3)

Recordkeeping / Reporting / Notification

- 3.2 The permittee shall keep, in a satisfactory manner, monthly and previous 12-month CO, VOC, and NOx, emission calculation records for FG-FACILITY, as required by SC 3.1a - 3.1c. All records shall be kept on file for a period of at least five years and made available to the Department upon request. **(R 336.1205(3))**
- 3.3 The permittee shall keep, in a satisfactory manner, monthly and previous 12-month individual HAP and total HAP emission calculation records for FG-FACILITY, as required by SC 3.1d and 3.1e. All records shall be kept on file for a period of at least five years and made available to the Department upon request. **(R 336.1205(3))**