

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

KINDER MORGAN LIQUIDS TERMINALS  
LLC

AI # 185924

PROCEEDINGS UNDER THE LOUISIANA  
ENVIRONMENTAL QUALITY ACT  
LA. R.S. 30:2001, ET SEQ.

\* Settlement Tracking No.  
\* SA-AE-19-0053  
\*  
\* Enforcement Tracking No.  
\* AE-PP-17-01131  
\*  
\*  
\*  
\*  
\*

SETTLEMENT

The following Settlement is hereby agreed to between Kinder Morgan Liquids Terminals LLC (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a limited liability company that owned and/or operated a methanol distribution facility located in Geismar, Ascension Parish, Louisiana (“the Facility”).

II

On July 6, 2018, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-17-01131 (Exhibit 1).

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of SIX THOUSAND SEVEN HUNDRED AND NO/100 DOLLARS (\$6,700.00), of which Five Hundred Eighty-Six and 84/100 Dollars (\$586.84) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the permit record(s), the Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII

This settlement is being made in the interest of settling the state's claims and avoiding for

both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

### VIII

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

### IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Ascension Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

### X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

KINDER MORGAN LIQUIDS  
TERMINALS LLC

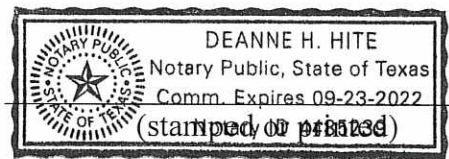
BY: Mary Clair Lyons  
(Signature)

Mary Clair Lyons  
(Printed)

TITLE: Asst. General Counsel

THUS DONE AND SIGNED in duplicate original before me this 11<sup>th</sup> day of December, 20 19, at Houston TX.

Debra D. Wite  
NOTARY PUBLIC (ID # \_\_\_\_\_)



LOUISIANA DEPARTMENT OF  
ENVIRONMENTAL QUALITY  
Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]  
Lourdes Iturralde, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 10<sup>th</sup> day of March, 20 20, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC (ID # 19181)

Approved: [Signature]  
Lourdes Iturralde, Assistant Secretary

Perry Theriot  
(stamped or printed)



Jeff Landry  
Attorney General

## State of Louisiana

DEPARTMENT OF JUSTICE  
CIVIL DIVISION  
P.O. BOX 94005  
BATON ROUGE  
70804-9005

RECEIVED

FEB 20 2020

LA DEPT OF ENV QUALITY  
LEGAL DIVISION

February 18, 2020

Herman Robinson, General Counsel  
La. Department of Environmental Quality  
Legal Division  
P.O. Box 4302  
Baton Rouge, LA 70821-4302

Kinder Morgan Liquids Terminals LLC  
c/o Capitol Corporate Services, Inc.  
Agent for Service of Process  
8550 United Plaza, Building II, Suite 305  
Baton Rouge, LA 70809

Re: AG Review of DEQ Settlement;  
Kinder Morgan Liquids Terminals LLC  
Settlement No.: SA-AE-19-0053

Dear Mr. Robinson and Kinder Morgan Liquids Terminals LLC:

Louisiana Revised Statute 30:2050.7 authorizes the Louisiana Department of Environmental Quality, with the concurrence of the Attorney General, to settle claims for penalties under the Louisiana Environmental Quality Act or the regulations or permit terms and conditions applicable thereto. Specifically, La. R.S. 30:2050.7(E)(2)(a) provides, “[s]ettlements provided for under this Section shall be submitted to the attorney general for his approval or rejection...[a]pproval or rejection by the attorney general shall be in writing with a detailed written reason for rejection.”

Settlement No. SA-AE-19-0053, and the underlying enforcement action, has been submitted to me for approval or rejection as required by law. Pursuant to the authority granted to me by Art. IV, Sec. 8 of the state constitution and R.S. 30:2050.7, I approve the above referenced settlement.

Sincerely,

**JEFF LANDRY**  
**ATTORNEY GENERAL**

By: \_\_\_\_\_

  
Ryan M. Seidemann  
Assistant Attorney General

# SETTLEMENT PAYMENT FORM

Please attach this form to your settlement payment  
and submit to:

Department of Environmental Quality  
Financial Services Division  
P. O. Box 4303  
Baton Rouge, Louisiana 70821-4303  
Attn: Accountant Administrator

Payment # \_\_\_\_\_

**Respondent: Kinder Morgan Liquids Terminals LLC**

**Settlement No: SA-AE-19-0053**

**Enforcement Tracking No(s): AE-PP-17-01131**

**Payment Amount: \$6,700.00**

**AI Number: 185924**

**Alternate ID No(s):**

**TEMPO Activity Number: ENF20180002**

**For Official Use Only.  
Do Not write in this Section.**

Check Number:

Check Date:

Check Amount:

Received Date:

PIV Number:

PIV Date:

Stamp "Paid" in the box to the right  
and initial.

Route Completed form to:

Celena Cage, Administrator  
Enforcement Division

And copy Perry Theriot  
Legal Division



JOHN BEL EDWARDS  
GOVERNOR



CHUCK CARR BROWN, Ph.D.  
SECRETARY

**State of Louisiana**  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

July 6, 2018



CERTIFIED MAIL (7005 1820 0002 2095 9406)  
RETURN RECEIPT REQUESTED

**KINDER MORGAN LIQUIDS TERMINALS LLC**

c/o Capitol Corporate Services, Inc.  
Agent for Service of Process  
8550 United Plaza Building II, Ste. 305  
Baton Rouge, LA 70809

**RE: NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-PP-17-01131  
AGENCY INTEREST NO. 185924**

Dear Sir:

On or about November 29, 2017, and June 20, 2018, file reviews of **GEISMAR METHANOL TERMINAL** (the Facility), a methanol distribution facility, owned and/or operated by **KINDER MORGAN LIQUIDS TERMINALS LLC (RESPONDENT)**, were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at 4279 Louisiana Highway 73 in Geismar, Ascension Parish, Louisiana. The facility operates or has operated under the authority of the following air permits:

TYPE OF PERMIT	PERMIT NO.	ISSUE DATE	EXPIRATION DATE
Title V	0180-00213-V1	05/15/2018	03/04/2020
Title V	0180-00213-V0AA	06/24/2016	03/04/2020
Title V	0180-00213-V0	03/04/2015	03/04/2020
Minor Source	0180-000213-00	04/23/2013	04/23/2023

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the file reviews:

- A. In the 2015 First Semiannual Monitoring Report dated September 25, 2015, the Respondent reported the visible emission check logs for an emergency engine did not include all required information. Specifically, the visible emissions check logs did not include the engine's ID number or the engine's serial number. The Respondent submitted



Notice of Potential Penalty  
Kinder Morgan Liquids Terminals, LLC  
Page 2

a Regulatory Permit Notification Form dated May 5, 2015, to the Department for an emergency engine. A regulatory permit for the engine identified as PER20150002 was issued on May 11, 2015. The inadequate visible emission check logs were used from July 2, 2015 through August 17, 2015. Each failure to include all required information in the check logs is a violation of LAC 33:III.311.C.2.d and La. R.S. 30:2057(A)(2). The Respondent reported the visible emissions check logs were modified to include engine ID and serial number.

- B. The Respondent failed to submit the 2015 Second Semiannual Monitoring Report by the March 31, 2016 deadline. The report was postmarked March 30, 2017. Failure to submit the report in a timely manner is a violation of Specific Requirement 226 of Title V Permit No. 0180-00213-V0, LAC 33:III.535, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- C. In the 2016 First Semiannual Monitoring Report dated July 26, 2016, the Respondent reported the weekly pump inspections for Process Fugitives (FUG0001) were not documented electronically or via hard copy with the date of the inspection. The violation occurred from March 4, 2015 until March 21, 2016. Each failure to document the weekly inspections is a violation of 40 CFR 63.1007(b)(3), Specific Requirements 178 and 187 of Title V Permit No. 0180-00213-V0, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The Respondent reported an inspection from to document the weekly pump inspections was created.
- D. In the 2016 Second Semiannual Monitoring Report dated March 30, 2017, the Respondent reported the closure seals for Methanol Product Tank Nos. 1-3 (EQT 0001-0003) were not in continuous contact with the tank shell. The seal deficiencies were discovered during the annual inspections conducted on December 2, 2016. Each failure to have a continuous seal closure seal is a violation of Specific Requirement 29 of Title V Permit No. 0180-00213-00AA, LAC 33:III.2103.C.1.c, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In the Internal Floating Roof Seal Repair of Storage Tanks 731A, 731B, and 731C Final Report dated April 17, 2017, the Respondent reported the following conclusions for the project: (1) the storage tanks did not exceed permitted limits for 2016; (2) the floating roofs met the 95% emission reduction requirement; and (3) complied with repair requirements as cited in Specific Requirement 19 of Title V Permit No. 0180-00213-V0AA.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Antoinette Cobb at (225) 219-3072 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

Notice of Potential Penalty  
Kinder Morgan Liquids Terminals, LLC  
Page 3

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify this statement.

For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,



Lourdes Iturralde  
Assistant Secretary  
Office of Environmental Compliance

LI/AFC/afc  
Alt ID No. 0180-00213

c: Kinder Morgan Liquids Terminals LLC  
c/o Mr. Zach Smith, Regional EHS Manager  
P.O. Box 479  
Geismar, LA 70734

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
 OFFICE OF ENVIRONMENTAL COMPLIANCE  
 ENFORCEMENT DIVISION  
 POST OFFICE BOX 4312  
 BATON ROUGE, LOUISIANA 70821-4312

**NOTICE OF POTENTIAL PENALTY  
 REQUEST TO SETTLE (OPTIONAL)**



Enforcement Tracking No.	AE-PP-17-01131	Contact Name	Antoinette Cobb
Agency Interest (AI) No.	185924	Contact Phone No.	(225) 219-3072
Alternate ID No.	0180-00213		
Respondent:	Kinder Morgan Liquids Terminal LLC	Facility Name:	Geismar Methanol Terminal
	c/o Capitol Corporate Services, Inc.	Physical Location:	4145 Louisiana Highway 73
	Agent for Service of Process		
	8550 United Plaza Building II, Ste. 305	City, State, Zip:	Geismar, LA 70734
Baton Rouge, LA 70809	Parish:	Ascension	

**SETTLEMENT OFFER (OPTIONAL)**

*(check the applicable option)*

- The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:I.Subpart1.Chapter7.
- In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (AE-PP-17-01131), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
- In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (AE-PP-17-01131), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ \_\_\_\_\_ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.
  - Monetary component = \$ \_\_\_\_\_
  - Beneficial Environmental Project (BEP) component (optional)= \$ \_\_\_\_\_
  - **DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM-** the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
- The Respondent has reviewed the violations noted in **NOTICE OF POTENTIAL PENALTY** (AE-PP-17-01131) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

**CERTIFICATION STATEMENT**

*I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.*

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

**MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:**

Louisiana Department of Environmental Quality  
 Office of Environmental Compliance  
 Enforcement Division  
 P.O. Box 4312  
 Baton Rouge, LA 70821  
**Attn: Antoinette Cobb**