

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

GULF SOUTH PIPELINE COMPANY, LP

AI # 71

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

\* Settlement Tracking No.  
\* SA-AE-21-0016  
\*  
\* Enforcement Tracking No.  
\* AE-PP-18-00534  
\* AE-PP-18-00534A  
\*  
\*  
\*  
\*

SETTLEMENT

The following Settlement is hereby agreed to between Gulf South Pipeline Company, LLC f/k/a Gulf South Pipeline Company, LP (“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 natural gas receiving facility located in Montpelier, St. Helena Parish, Louisiana (“the Facility”).

II

On February 21, 2020, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-18-00534 (Exhibit 1).

On July 20, 2021, the Department issued to Respondent an Amended Notice of Potential Penalty, Enforcement Tracking No. AE-PP-18-00534A (Exhibit 2).

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 ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$1,500.00), of which One Thousand Fifty-Nine and 64/100 Dollars (\$1059.64) 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 inspection report(s), 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 St. Helena 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.

GULF SOUTH PIPELINE COMPANY,  
LLC F/K/A GULF SOUTH PIPELINE  
COMPANY, LP

BY: [Signature] 9/18  
(Signature)

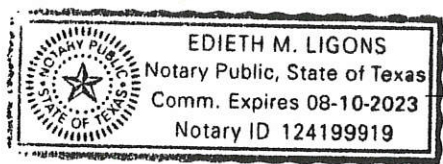
(Print Name) Ms. Kimberly Tarr

VP of Eng. & Construction

TITLE: \_\_\_\_\_

THUS DONE AND SIGNED in duplicate original before me this 9th day of  
December, 20 21, at Houston, Texas.

[Signature]  
NOTARY PUBLIC (ID # 12419919)

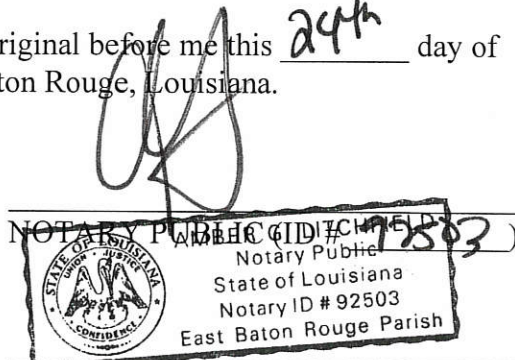


Edieth Ligons  
(stamped or printed)

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

BY: [Signature]  
Celena J. Cage, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 24th day of  
March, 20 22, at Baton Rouge, Louisiana.



(stamped or printed)

Approved: [Signature]  
\_\_\_\_\_  
Lourdes Iturralde, Assistant Secretary

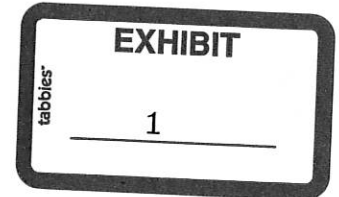


JOHN BEL EDWARDS  
GOVERNOR

CHUCK CARR BROWN, PH.D.  
SECRETARY

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

February 21, 2020



CERTIFIED MAIL (7016 2140 0000 5132 7768)  
RETURN RECEIPT REQUESTED

**GULF SOUTH PIPELINE COMPANY, LP**  
c/o Corporation Service Company  
Agent for Service of Process  
501 Louisiana Avenue  
Baton Rouge, La 70802

**RE: NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-PP-18-00534  
AGENCY INTEREST NO. 71**

Dear Sir/Madam:

On or about September 30, 2015, October 15, 2015, and September 11, 2017, inspections of **MONTPELIER COMPRESSOR STATION**, a natural gas receiving facility, owned and/or operated by **GULF SOUTH PIPELINE COMPANY, LP (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 447 LA Highway 44 in Montpelier, St. Helena Parish, Louisiana. The facility previously operated under Title V Permit No. 2540-00003-V2 issued on October 21, 2009. The facility currently operates under Title V Permit No. 2540-00003-V3 issued on May 4, 2015.

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 inspections and subsequent file review performed on February 17, 2019:

A. The Respondent failed to comply with the following notification requirements for performance testing:

|   | PERFORMANCE TEST DATE | SUBMITTAL DATE   | SOURCE ID   | REPORTED CAUSE  | REGULATORY and/or SPECIFIC REQUIREMENT         |
|---|-----------------------|--|---|---|--|
| 1 | 8/10/2015             | *Performance test notification was not submitted to the Department | E-1 – 1600 Hp 2SLB Worthington UTC-168 Compressor Engine (EQT001) | The Respondent failed to submit a notification at least thirty (30) days prior to conducting the performance test | Specific Requirement 7<br>LAC 33:III.2201.I.1  |
|   |                       |  | E-3 – 1600 Hp 2SLB Worthington UTC-168 Compressor Engine (EQT003) |   | Specific Requirement 27<br>LAC 33:III.2201.I.1 |

Gulf South Pipeline Company, LP  
 AE-PP-18-00534  
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|   | PERFORMANCE TEST DATE                   | SUBMITTAL DATE   | SOURCE ID   | REPORTED CAUSE  | REGULATORY and/or SPECIFIC REQUIREMENT         |
|---|---|--|---|---|--|
| 1 | 8/10/2015                               |  | E-4 – 1600 Hp 2SLB Worthington UTC-168 Compressor Engine (EQT004) | The Respondent failed to submit a notification at least thirty (30) days prior to conducting the performance test | Specific Requirement 37<br>LAC 33:III.2201.1.1 |
|   |   |  | E-5 – 1600 Hp 2SLB Worthington UTC-168 Compressor Engine (EQT005) |   | Specific Requirement 47<br>LAC 33:III.2201.1.1 |
| 2 | 2013 2 <sup>nd</sup> Semiannual Testing | E-6 – 1500 Hp 2SLB Clark HLA-6 Compressor Engine (EQT006)          |   |   | Specific Requirement 62<br>LAC 33:III.501.C.4  |
|   | 2014 1 <sup>st</sup> Semiannual Testing |  |   |   |  |
| 3 | 2014 2 <sup>nd</sup> Semiannual Testing | E-7 – 1500 Hp 2SLB Clark HLA-6 Compressor Engine (EQT007)          |   |   | Specific Requirement 76<br>LAC 33:III.501.C.4  |
|   | 2013 2 <sup>nd</sup> Semiannual Testing |  |   |   |  |
| 4 | 2014 1 <sup>st</sup> Semiannual Testing | E-8 – 1500 Hp 2SLB Clark HLA-6 Compressor Engine (EQT008)          |   |   | Specific Requirement 90<br>LAC 33:III.501.C.4  |
|   | 2014 2 <sup>nd</sup> Semiannual Testing |  |   |   |  |
|   | 2013 2 <sup>nd</sup> Semiannual Testing |  |   |   |  |
| 5 | 8/10/2015                               | *Performance test notification was not submitted to the Department | E-1 – 1600 Hp 2SLB Worthington UTC-168 Compressor Engine (EQT001) |   |  |
|   |   |  | E-3 – 1600 Hp 2SLB Worthington UTC-168 Compressor Engine (EQT003) | Specific Requirement 28<br>LAC 33:III.2201.1.1  |  |
|   |   |  | E-4 – 1600 Hp 2SLB Worthington UTC-168 Compressor Engine (EQT004) | Specific Requirement 38<br>LAC 33:III.2201.1.1  |  |
|   |   |  | E-5 – 1600 Hp 2SLB Worthington UTC-168 Compressor Engine (EQT005) | Specific Requirement 48<br>LAC 33:III.2201.1.1  |  |
| 6 | 2014 1 <sup>st</sup> Semiannual Testing | E-6 – 1500 Hp 2SLB Clark HLA-6 Compressor Engine (EQT006)          |   | Specific Requirement 63<br>LAC 33:III.501.C.4   |  |
|   | 2014 2 <sup>nd</sup> Semiannual Testing |  |   |   |  |
| 7 | 2014 1 <sup>st</sup> Semiannual Testing | E-7 – 1500 Hp 2SLB Clark HLA-6 Compressor Engine (EQT007)          |   | Specific Requirement 77<br>LAC 33:III.501.C.4   |  |
|   | 2013 2 <sup>nd</sup> Semiannual Testing |  |   |   |  |
| 8 | 2014 1 <sup>st</sup> Semiannual Testing | E-8 – 1500 Hp 2SLB Clark HLA-6 Compressor Engine (EQT008)          |   | Specific Requirement 91<br>LAC 33:III.501.C.4   |  |
|   | 2014 2 <sup>nd</sup> Semiannual Testing |  |   |   |  |

Each failure to submit a timely report notification is a violation of Title V Permit No. 2540-00003-V3 and associated requirement(s) listed above, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2). On or about March 21, 2017, the Respondent submitted a stack test schedule for EQT0001, EQT0003, EQT0004, and EQT0005 for May 23, 2017 through May 24, 2017, which is at least thirty (30) days prior to conducting the performance test. On or about June 9, 2017, the Respondent submitted the emissions testing report for the

Gulf South Pipeline Company, LP  
AE-PP-18-00534  
Page 3

tests conducted on May 23, 2017, which is within the sixty (60) day deadline to submit a report after completing the performance tests.

- B. In the 2017 Title V 1<sup>st</sup> Semiannual Report dated September 27, 2017, the Respondent reported the failure to timely submit a notification of compliance on or before May 1, 2017. Specifically, on or about May 3, 2017, the Respondent submitted a start-up and shutdown requirement notification of compliance report for five (5) Worthington UTC-168 natural gas fired compressor engines. This is a violation of LAC 33:III.2201.K.4 and La. R.S. 30:2057(A)(2).
- C. In the Revised 2019 Title V 1<sup>st</sup> Semiannual Report dated December 18, 2019, the Respondent reported the failure to timely submit a written report for an unauthorized discharge to the Department's Emergency and Radiological Services Division, Single Point of Contact (SPOC) within seven (7) calendar days. Specifically, on or about June 5, 2019, the Respondent reported that emergency shutdown system was activated by the closure of a station valve, the release was secured within twelve (12) minutes and reported by telephone within one (1) hour of discovery; however, the written report was not submitted until June 18, 2019. This is a violation of LAC 33:I.3925.A and La. R.S. 30:2057(A)(2).

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 Madison Kirkland at (225) 219-3165 or at [Madison.Kirkland@la.gov](mailto:Madison.Kirkland@la.gov) within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

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. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

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.



Gulf South Pipeline Company, LP  
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The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

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/MLK/mlk  
Alt ID No. 2540-00003

c: Gulf South Pipeline Company, LP  
David Nickel, Environmental Specialist  
9 Greenway Plaza, Suite 2800  
Houston, TX 77046

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-18-00534                         | Contact Name       | Madison Kirkland              |
| Agency Interest (AI) No. | 71                                     | Contact Phone No.  | (225) 219-3165                |
| Alternate ID No.         | 2540-00003                             | Contact E-mail     | Madison.Kirkland@la.gov       |
| Respondent:              | <b>GULF SOUTH PIPELINE COMPANY, LP</b> | Facility Name:     | Montpelier Compressor Station |
|                          | c/o Corporation Service Company        | Physical Location: | 477 Highway LA 441            |
|                          | Agent for Service of Process           | City, State, Zip:  | Montpelier, LA 70744          |
|                          | 501 Louisiana Avenue                   | Parish:            | St. Helena                    |
|                          | Baton Rouge, La 70802                  |                    |                               |

**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 <b>NOTICE OF POTENTIAL PENALTY (AE-PP-18-00534)</b> , 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 <b>NOTICE OF POTENTIAL PENALTY (AE-PP-18-00534)</b> , 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. <ul style="list-style-type: none"> <li>• Monetary component = \$ _____</li> <li>• Beneficial Environmental Project (BEP) component (optional)= \$ _____</li> <li>• <b>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.</b></li> </ul> |
|       | The Respondent has reviewed the violations noted in <b>NOTICE OF POTENTIAL PENALTY (AE-PP-18-00534)</b> 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: Madison Kirkland



JOHN BEL EDWARDS  
GOVERNOR

CHUCK CARR BROWN, PH.D.  
SECRETARY

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

JUL 20 2021

CERTIFIED MAIL (7019 2970 0000 6032 9630)  
RETURN RECEIPT REQUESTED

**GULF SOUTH PIPELINE COMPANY, LLC**  
c/o Corporation Service Company  
Agent for Service of Process  
501 Louisiana Avenue  
Baton Rouge, La 70802

**RE: NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-PP-18-00534A  
AGENCY INTEREST NO. 71**

Dear Sir/Madam:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **AMENDED NOTICE OF POTENTIAL PENALTY** is hereby served on **GULF SOUTH PIPELINE COMPANY, LLC (RESPONDENT)** for the violations described therein.

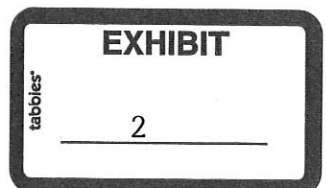
Any questions concerning this action should be directed to Madison Kirkland at (225) 219-3165 or at [Madison.Kirkland@la.gov](mailto:Madison.Kirkland@la.gov).

Sincerely,

Celena J. Cage  
Administrator  
Enforcement Division

CJC/MLK/mlk  
Alt ID No. 2540-00003  
Attachment

c: Gulf South Pipeline Company, LLC  
David Nickel, Environmental Specialist  
9 Greenway Plaza, Suite 2800  
Houston, TX 77046



**STATE OF LOUISIANA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE**

|   |   |                                 |
|---|---|---------------------------------|
| <b>IN THE MATTER OF</b>                 | * |                                 |
|   | * |                                 |
| <b>GULF SOUTH PIPELINE COMPANY, LLC</b> | * | <b>ENFORCEMENT TRACKING NO.</b> |
| <b>ST. HELENA PARISH</b>                | * |                                 |
| <b>ALT ID NO. 2540-00003</b>            | * | <b>AE-PP-18-00534A</b>          |
|   | * |                                 |
|   | * | <b>AGENCY INTEREST NO.</b>      |
|   | * |                                 |
| <b>PROCEEDINGS UNDER THE LOUISIANA</b>  | * | <b>71</b>                       |
| <b>ENVIRONMENTAL QUALITY ACT,</b>       | * |                                 |
| <b>La. R.S. 30:2001, ET SEQ.</b>        | * |                                 |

**AMENDED NOTICE OF POTENTIAL PENALTY**

The Louisiana Department of Environmental Quality (the Department) hereby amends the **NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-PP-18-00534** issued to **GULF SOUTH PIPELINE COMPANY, LP (RESPONDENT)** on February 21, 2020 in the above-captioned matter as follows:

I.

The Department hereby amends the Respondent's name in every occurrence from **GULF SOUTH PIPELINE COMPANY, LP** to **GULF SOUTH PIPELINE COMPANY, LLC**.

II.

The Department hereby removes Paragraph A of the Notice of Potential Penalty, Enforcement Tracking No. AE-PP-18-00534.


III.

The Department incorporates all of the remainder of the original **NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-PP-18-00534** and **AGENCY INTEREST NO. 71** as if reiterated herein.

IV.

This **AMENDED NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 20th day of July, 2021.



\_\_\_\_\_  
Lourdes Iturralde  
Assistant Secretary  
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality  
Office of Environmental Compliance  
Enforcement Division  
Post Office Box 4312  
Baton Rouge, LA 70821-4312  
Attention: Madison Kirkland