

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

SOUTHERN NATURAL GAS COMPANY,  
L.L.C.

AI # 2555

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

\* Settlement Tracking No.  
\* SA-AE-20-0098  
\*  
\*  
\* Enforcement Tracking No.  
\* AE-CN-17-01041  
\*  
\*  
\* Docket No. 2019-12621-DEQ  
\*

SETTLEMENT

The following Settlement is hereby agreed to between Southern Natural Gas Company, L.L.C. (“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 owns and/or operates a natural gas compressing facility located in Franklinton, Washington Parish, Louisiana (“the Facility”).

II

On July 31, 2018, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-17-01041 (Exhibit 1).

III

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request for a hearing.

IV

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

V

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 TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$2,500.00), of which Nine Hundred Ninety-Two and 81/100 Dollars (\$992.81) 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).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order & 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.

VII

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.

## VIII

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.

## IX

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.

## X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Washington 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.

## XI

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).

## XII

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

## XIII

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.

SOUTHERN NATURAL GAS COMPANY,  
L.L.C.

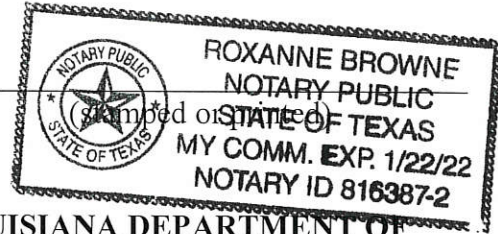
BY: Mary Clair Lyons  
(Signature)

Mary Clair Lyons  
(Printed)

TITLE: Asst General Counsel

THUS DONE AND SIGNED in duplicate original before me this 1st day of April, 20 21, at Houston, Texas.

Roxanne Browne  
NOTARY PUBLIC (ID # 816387-2)

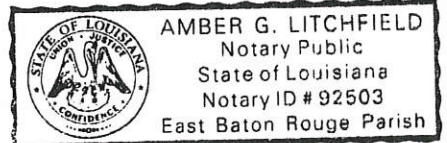


LOUISIANA DEPARTMENT OF  
ENVIRONMENTAL QUALITY  
Chuck Carr Brown, Ph.D., Secretary

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

THUS DONE AND SIGNED in duplicate original before me this 23rd day of June, 20 21, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC (ID # 92503)



(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

July 31, 2018

CERTIFIED MAIL (7016 3010 0000 9387 7013)  
RETURN RECEIPT REQUESTED

**SOUTHERN NATURAL GAS COMPANY, L.L.C.**  
c/o C T Corporation System  
Agent for Service of Process  
3867 Plaza Tower Dr.  
Baton Rouge, LA 70816

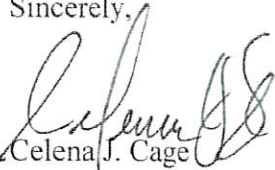
**RE: CONSOLIDATED COMPLIANCE ORDER  
& NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-CN-17-01041  
AGENCY INTEREST NO. 2555**

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **SOUTHERN NATURAL GAS COMPANY, L.L.C. (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Christopher Clement at (225) 219-3748 or [Christopher.Clement@la.gov](mailto:Christopher.Clement@la.gov).

Sincerely,  
  
Celena J. Cage  
Administrator  
Enforcement Division

CJC/CGC/egc  
Alt ID No. 3060-00004  
Attachment



Attachment

c: Southern Natural Gas Company, L.L.C.  
c/o David Rester  
42621 LA Highway 16  
Franklinton, LA 70438

STATE OF LOUISIANA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF	*	
	*	
SOUTHERN NATURAL GAS COMPANY, L.L.C.	*	ENFORCEMENT TRACKING NO.
WASHINGTON PARISH	*	
ALT ID NO. 3060-00004	*	AE-CN-17-01041
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.	*	AGENCY INTEREST NO.
	*	2555
	*	

**CONSOLIDATED**  
**COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **SOUTHERN NATURAL GAS COMPANY, L.L.C. (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

**FINDINGS OF FACT**

I.

The Respondent owns and/or operates the Franklinton Compressor Station (facility), a natural gas compressing facility located at 42621 Louisiana Highway 16 in Franklinton, Washington Parish, Louisiana. The facility operates or has operated under the following Title V Air Permit Nos.:

Title V Permit No.	Date Issued	Expiration Date
3060-00004-V1	October 5, 2005, and administratively amended on April 12, 2006	October 5, 2010
3060-00004-V2	August 7, 2007	October 5, 2010
3060-00004-V3	October 18, 2010	October 18, 2015
3060-00004-V4	November 2, 2015	November 2, 2020



## II.

On or about September 7, 2017, the Department conducted an inspection of the facility to determine the Respondent's degree of compliance with the Act and the Air Quality Regulations. While the Department's investigation is not yet complete, the following violations were revealed:

- A. The Respondent failed to complete the semi-annual engine analysis in 2016 for EQT 005 (Engine 7) and EQT 006 (Engine 8). The Respondent stated in an email to the inspector dated September 11, 2017, that the analysis was not completed due to the engine operating hours being less than 720 hours. However, Specific Requirement No. 20 of Title V Permit No. 3060-00004-V4 states that the Respondent shall demonstrate compliance with Carbon Monoxide (CO) and Nitrogen Oxide (NOx) emission limits of the permit by performing semiannual preventative maintenance analysis and necessary adjustment to maintain compressor/engine performance and emissions in the same range as the initial stack test. Therefore, each failure to complete semi-annual engine analysis is a violation of Specific Requirement No. 20 of Title V Permit No. 3060-00004-V4, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- B. The Respondent failed to complete the analysis for cylinder pressure versus time for each of the nine (9) engines in CRG 001. Specifically, the Respondent was using pressure versus angle for engine analysis instead of using a pressure versus time measurement as required by Specific Requirement No. 20 of Title V Permit No. 3060-00004-V4. Further, the Respondent failed to complete and record cylinder pressure versus time analysis for the nine (9) engines in CRG 001 (EQTs 002, 003, 004, 005, 006, 008, 009, 0010, and 0012) for the years 2015 through 2017. The Respondent stated in an email to the inspector dated September 11, 2017, that pressure versus angle is used for analysis and that it works the same way as pressure versus time. However, Specific Requirement No. 20 of Title V Permit No. 3060-00004-V4 specifically requires that a pressure versus time measurement be taken. Therefore, each failure to complete and record pressure versus time is a violation of Specific Requirement No. 20 of Title V Permit No. 3060-00004-V4, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

C. The Respondent failed to complete brake mean effective pressure (BMEP) calculations for each of the nine (9) engines in CRG 001 (EQTs 002, 003, 004, 005, 006, 008,009, 0010, and 0012) for the years 2015 through 2017. Specifically, the Respondent was using mean effective pressure (MEP) taken from the pressure versus volume card of the engine instead of using BMEP for engine analysis. The Respondent stated in an email to the inspector dated September 11, 2017, that MEP on the engine health report is used to see the average pressure exerted on the piston to produce the indicated horsepower and MEP gives more reliable information on the health condition of the engine. Additionally, the Respondent stated that BMEP is theoretical and has nothing to do with actual cylinder pressures. However, Specific Requirement No. 20 of Title V Permit No. 3060-00004-V4 specifically requires BMEP be checked and recorded on all power cylinders. Therefore, each failure to complete and record BMEP is a violation of Specific Requirement No. 20 of Title V Permit No. 3060-00004-V4, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

#### **COMPLIANCE ORDER**

Based on the foregoing, the Respondent is **hereby ordered**:

##### I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Act and Air Quality Regulations, including but not limited to Title V Permit No. 3060-00004-V4.

##### II.

To submit to the Enforcement Division, within ninety (90) days of receipt of this **COMPLIANCE ORDER**, documentation demonstrating that semi-annual engine analysis has been conducted, in accordance with Specific Requirement No. 20 of Title V Permit No. 3060-00004-V4, for all nine (9) engines in CRG 001 (EQTs 002, 003, 004, 005, 006, 008,009, 0010, and 0012).

##### III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance  
Post Office Box 4312  
Baton Rouge, Louisiana 70821-4312  
**Attn: Christopher Clement**  
**Re: Enforcement Tracking No. AE-CN-17-01041**  
**Agency Interest No. 2555**

**THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:**

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality  
Office of the Secretary  
Post Office Box 4302  
Baton Rouge, Louisiana 70821-4302  
**Attn: Hearings Clerk, Legal Division**  
**Re: Enforcement Tracking No. AE-CN-17-01041**  
**Agency Interest No. 2555**

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act and the Administrative Procedure Act (La. R.S. 49:950, et seq.). The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right

to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

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

**NOTICE OF POTENTIAL PENALTY**

I.

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.

II.

Prior to the issuance of additional appropriate enforcement action(s), 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 Christopher Clement at (225) 219-3748 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

III.

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 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 violation(s) 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 that 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.

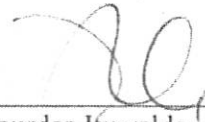
IV.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY** portion, 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 "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" 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.

V.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 31<sup>st</sup> day of July, 2018.

  
\_\_\_\_\_  
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  
P.O. Box 4312  
Baton Rouge, LA 70821-4312  
Attention: Christopher Clement



Enforcement Tracking No.	AE-CN-17-01041	Contact Name	Christopher Clement
Agency Interest (AI) No.	2555	Contact Phone No.	(225) 219-3748
Alternate ID No.	3060-00004		
Respondent:	Southern Natural Gas Company, L.L.C.	Facility Name:	Franklinton Compressor Station
	c/o C T Corporation System	Physical Location:	42621 LA Highway 16
	Agent For Service Of Process		
	3867 Plaza Tower Dr.	City, State, Zip:	Franklinton, LA 70438
Baton Rouge, La 70816	Parish:	Washington	

**STATEMENT OF COMPLIANCE**

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph III of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? of the "Order" portion of the COMPLIANCE ORDER.	N/A	
All necessary documents were submitted to the Department within 45 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? of the "Order" portion of the COMPLIANCE ORDER.	N/A	
All necessary documents were submitted to the Department within 90 days of receipt of the COMPLIANCE ORDER in accordance with Paragraphs II of the "Order" portion of the COMPLIANCE ORDER.		
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:		

**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-CN-17-01041), 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-CN-17-01041), 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-CN-17-01041) 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: Christopher Clement