

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

TEXAS EASTERN TRANSMISSION, LP

AI # 7359, 7345, 7853

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

* Settlement Tracking No.
* SA-AE-21-0082
*
* Enforcement Tracking No.
* AE-PP-18-00678
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SETTLEMENT

The following Settlement is hereby agreed to between Texas Eastern Transmission, 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 partnership that owns and/or operates natural gas transmission facilities located in Iberville Parish, West Feliciana Parish, and Beauregard Parish, Louisiana (“the Facilities”).

II

On December 20, 2019, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-18-00678 (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 EIGHT THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$8,500.00), of which Nine Hundred Sixty-Four and 94/100 Dollars (\$964.94) 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 Iberville Parish, West Feliciana Parish, and Beauregard 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.

TEXAS EASTERN TRANSMISSION, LP

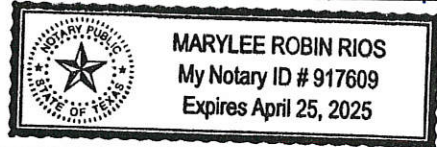
BY: [Signature]
(Signature)

John Gauderman
(Printed)

TITLE: Director, Southeast Region

THUS DONE AND SIGNED in duplicate original before me this 5th day of April, 20 22, at 3:00 pm.

[Signature]
NOTARY PUBLIC (ID # 917609)



(stamped or printed)

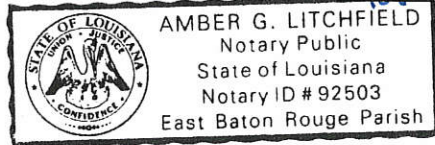
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

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

THUS DONE AND SIGNED in duplicate original before me this 9th day of August, 20 22, at Baton Rouge, Louisiana.


[Signature]

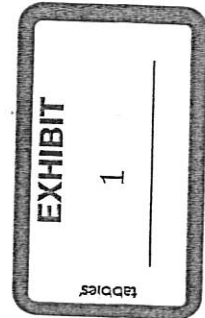
NOTARY PUBLIC (ID # 92503)



(stamped or printed)

Approved: [Signature]
Celena J. Cage, Assistant Secretary

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|---|---|---|--------------------------|--|--|
| LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312 | | NOTICE OF POTENTIAL PENALTY | |  | |
| Enforcement Tracking No. | AE-PP-18-00678 | Certified Mail No. | 7018 2290 0000 5826 1564 | | |
| Agency Interest (AI) No. | 7359, 7345, 7853 | Contact Name | Dr. Jacqueline Prudente | | |
| Alternate ID No. | See Attachment 1 | Contact Phone No. | (225) 219-3347 | | |
| Respondent: | Texas Eastern Transmission, LP | Facility Name: | See Attachment 1 | | |
| | c/o C T Corporation System | Physical Location: | See Attachment 1 | | |
| | Agent for Service of Process | | | | |
| | 3867 Plaza Tower Drive | City, State, Zip: | See Attachment 1 | | |
| | Baton Rouge, LA 70816 | Parish: | See Attachment 1 | | |
| This NOTICE OF POTENTIAL PENALTY is issued 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 30:2050.3(B). | | | | | |
| FINDINGS OF FACT | | | | | |
| An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below. | | | | | |
| I. | The Respondent owns and/or operates the natural gas transmission facilities listed in Attachment 1. The facilities currently operate under the authority of Title V Permits listed in Attachment 1. | | | | |
| | Date of Violation | Description of Violation | | | |
| II. | Inspection(s) & File Review 02/01/2018 10/22/2019 AI #7359 | The Respondent failed to submit notification as required by LAC 33:III.2201.K.4 by the required date. The notification was to be submitted to the Office of Environmental Services on or before May 1, 2017, notifying whether each affected point source will comply with LAC 33:III.2201.K.1 or LAC 33:III.2201.K.3 during periods of start-up and shutdown. The Respondent submitted the required notification on May 4, 2017 for EQT0001. The Respondent's failure to timely submit the required notification is a violation of LAC 33:III.2201.K.4 and La. R.S. 30:2057(A)(2). | | | |
| III. | Inspection(s) & File Review 10/17/2018 10/22/2019 AI #7345 | In the 2017 First Semiannual Monitoring Report dated September 28, 2017, the Respondent reported the required Chapter 22 notification was not submitted on or before May 1, 2017. On or about March 20, 2017, the revisions were made to LAC 33:III.Chapter 22, specifically LAC 33:III.2201 C and K (the Work Practice Standards During Start-up and Shutdown) [AQ364]. Pursuant to LAC 33:III.2201.K.4, the Respondent was required to notify the Office of Environmental Services whether each affected point will comply with Paragraph K.1 or K.3 of the Section during periods of start-up and shutdown. The notification was submitted on or about May 4, 2017. Failure to comply with the reporting requirement is a violation of LAC 33:III.2201.K.4 and La. R.S. 30:2057(A)(2). | | | |
| IV. | Inspection(s) & File Review 10/17/2018 10/22/2019 AI #7345 | In the 2017 First Semiannual Monitoring Report dated September 28, 2017, the Respondent reported the failure to notify the Department of performance/emission tests for E-1 - E-4 General Electric Gas Turbines (EQT 0001-0004) at least thirty (30) days prior to the tests. The tests were conducted on May 24, 2017; notification was due on or before April 24, 2017. Each failure to submit notification at least thirty (30) days prior to the performance/emission tests is a violation of Specific Requirements 6, 13, 20, and 27 of Title V Permit No. 3160-00007-V4, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). | | | |
| V. | Inspection(s) & File Review 10/17/2018 10/22/2019 AI #7345 | The Respondent failed to submit the 2017 Second Semiannual Monitoring Report certified by the Responsible Official by March 31, 2018 due date. The Respondent submitted the 2017 Second Semiannual Monitoring Report dated March 8, 2018; however, the form was not certified by the Responsible Official. Failure to submit the semiannual report certified by the Responsible Official is a violation of Specific Requirement 76 of Title V Permit No. 3160-00007-V4, LAC 33:III.535, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The Respondent submitted the certified form to the Department postmarked June 23, 2018. | | | |
| VI. | Inspection(s) & File Review 06/25/2019 10/22/2019 AI #7853 | The Respondent failed to submit to the Department a written notification of the commencement of the construction of the 880 hp Wauseka emergency engine (EQT 0007). The written notification shall be submitted to the Department no later than 30 days of such construction or reconstruction. Specifically, as reported in the facility's 2017 Title V Annual Compliance Certification dated March 8, 2018, EQT 0007 was constructed on March 2, 2017. This is a violation of 40 CFR 60(a)(1) as incorporated by reference in LAC 33:III.3003, Specific Requirement 6 of Title V Permit No. 0320-00016-V4, LAC 501.C.4, and La. R.S. 30:(2057(A)(2). | | | |
| 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 Dr. Jacqueline Prudente at (225) 219-3347 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 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. | | | | |



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| IV. | 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. |
| V. | 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. |

CONTACTS AND SUBMITTAL OF INFORMATION

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| <i>Enforcement Division:</i> | <i>Physical Address (if hand delivered):</i> |
| Louisiana Department of Environmental Quality Office of Environmental Compliance Air Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Dr. Jacqueline Prudente | Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802 |

HOW TO REQUEST CLOSURE OF THIS NOTICE OF POTENTIAL PENALTY

To expedite closure of the 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 Department assesses civil penalties based on LAC 33:1.Subpart1.Chapter7.
- The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
- 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.

If you have questions or need more information, you may contact Dr. Jacqueline Prudente at (225) 219-3347 or jacqueline.prudente@la.gov.



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Date: 12-20-19


cc: Texas Eastern Transmission, LP
c/o Donald Jordan, Station Specialist
P.O. Box 1642
Houston, TX 77251

Texas Eastern Transmission, LP
c/o Tim Edwards, Supervisor
17238 Louisiana Highway 10
St. Francisville, LA 70775

Texas Eastern Transmission, LP
c/o Daniel Fuselier, Station Specialist
P.O. Box 9
Ragley, LA 70657

Attachment(s)

- Request to Settle
- List of Facilities

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|--|---|---|-------------------------|
| 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-18-00678 | Contact Name | Dr. Jacqueline Prudente |
| Agency Interest (AI) No. | 7359, 7345, 7853 | Contact Phone No. | (225) 219-3347 |
| Alternate ID No. | See Attachment 1 | | |
| Respondent: | Texas Eastern Transmission, LP | Facility Name: | See Attachment 1 |
| | c/o C T Corporation System | Physical Location: | See Attachment 1 |
| | Agent for Service of Process | | |
| | 3867 Plaza Tower Drive | City, State, Zip: | See Attachment 1 |
| | Baton Rouge, LA 70816 | Parish: | See Attachment 1 |
| SETTLEMENT OFFER (OPTIONAL) | | | |
| <i>(check the applicable option)</i> | | | |
| _____ | 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 33:1.Subpart1.Chapter7. | | |
| _____ | In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-PP-18-00678), 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-18-00678), 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"> • 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-18-00678) 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: Dr. Jacqueline Prudente | | | |

If you have questions or need more information, you may contact Dr. Jacqueline Prudente at (225) 219-3347 or jacqueline.prudente@la.gov.

Attachment 1

List of Facilities

| Agency Interest No. | Facility Name | Facility Physical Location | Parish | Current Permit No. | Issue Date | Expiration Date |
|---------------------|---------------------------------|--|----------------|--------------------|------------|-----------------|
| 7359 | White Castle Compressor Station | 55095 Grand Road White Castle, LA | Iberville | 1280-00042-V4 | 08/27/2015 | 08/27/2020 |
| 7345 | St. Francisville Station #617 | 17238 Louisiana Highway 10 St. Francisville, LA 70775 | West Feliciana | 3160-00007-V4 | 06/23/2015 | 12/11/2019 |
| 7853 | Gillis Compressor Station | 2240 Texas Eastern Road Ragley, LA 70657 | Beauregard | 0320-00016-V5 | 10/8/2019 | 10/8/2024 |