

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

**SOUTHERN NATURAL GAS COMPANY,
L.L.C.**

AI # 31557

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

* **Settlement Tracking No.**
* **SA-AE-23-0029**
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*
* **Enforcement Tracking No.**
* **AE-PP-22-00549**
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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 booster station, located in Bienville, Bienville Parish, Louisiana (“the Facility”).

II

On December 27, 2022, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-22-00549 (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 FIVE THOUSAND TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$5,250.00), of which One Thousand Three Hundred Eighty-One and 66/100 Dollars (\$1,381.66) 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 Bienville 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 attached hereto.

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.

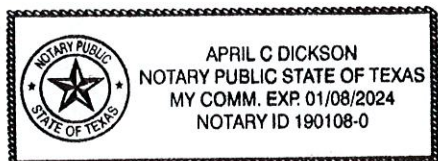
**SOUTHERN NATURAL GAS COMPANY,
L.L.C.**

BY: Ronald S Besette
(Signature)

RONALD S. BESETTE
(Printed)

TITLE: VP of OPERATIONS

THUS DONE AND SIGNED in duplicate original before me this 24th day of
July, 20 23, at Houston, Texas.



April C. Dickson
NOTARY PUBLIC (ID # 190108-0)

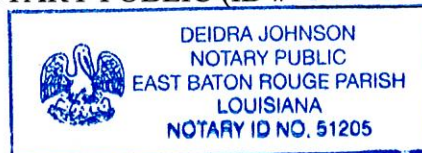
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**LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY**
Roger W. Gingles, Secretary

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

THUS DONE AND SIGNED in duplicate original before me this 19th day of
September, 20 23, at Baton Rouge, Louisiana.


Deidra Johnson
NOTARY PUBLIC (ID # 51205)



(stamped or printed)

Approved: Celena J. Cage
Celena J. Cage, Assistant Secretary

Lifetime Commission

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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-22-00549 | Certified Mail No. | 7021 1970 0000 3978 8725 | |
| Agency Interest (AI) No. | 31557 | Contact Name | Katie Bowers | |
| Alternate ID No. | 0360-00011 | Contact Phone No. | 225-219-3760 | |
| Respondent: | SOUTHERN NATURAL GAS COMPANY, L.L.C. | Facility Name: | Bienville Compressor Station | |
| | c/o C T Corporation System | Physical Location: | 10275 Highway 507 | |
| | Agent for Service of Process | City, State, Zip: | Bienville, LA 71008 | |
| | 3867 Plaza Tower Drive Baton Rouge, LA 70816 | Parish: | Bienville | |
| 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 Bienville Compressor Station (facility), a natural gas booster station, located at 10275 Highway 507 in Bienville, Bienville Parish, Louisiana. The facility previously operated under Title V Air Quality Permit No. 0360-00011-V3 issued October 31, 2013, and currently operates under Title V Air Quality Permit No. 0360-00011-V4 issued March 31, 2021. The facility is classified as a minor source of toxic air pollutants pursuant to LAC 33:III.Chapter 51 and a major source of hazardous air pollutants under the National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 CFR Part 63. | | | |
| II. | An emission source at the facility, a wastewater evaporator, was constructed in November 2005 and was permitted as an insignificant source in Title V Air Permit No. 0360-00011-V2AA issued April 9, 2009. In the Title V Air Permit No. 0360-00011-V4, issued March 31, 2021, the wastewater evaporator was assigned ID No. EQT0010. The facility became subject to 40 CFR Part 63 Subpart DDDDD on April 1, 2013. | | | |
| | Date of Violation | Description of Violation | | |
| III. | File Review December 8, 2022 | The Respondent failed to permit a wastewater evaporator (EQT0010) as an emission source once the wastewater evaporator became subject to 40 CFR Part 63 Subpart DDDDD. Specifically, in the 2017 Title V Second Half Semi-Annual Report dated March 26, 2018, the Respondent reported the failure to recognize that an emission source at the facility was subject to 40 CFR Part 63 Subpart DDDDD. The Respondent did not include the wastewater evaporator as an emission source in the Title V Air Permit until the Title V Air Permit No. 0360-00011-V4 permit renewal application was submitted to the Department dated April 26, 2018. Failure to permit the wastewater evaporator as an emission source once it became subject to 40 CFR 63 Subpart DDDDD is a violation of Specific Requirement No. 22 of Title V Air Permit No. 0360-00011-V3, LAC 33:III.517.C, LAC 33:III.535 General Condition 5, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). | | |
| IV. | File Review December 8, 2022 | The Respondent failed to complete an initial tune-up and one-time energy assessment for EQT0010 no later than the compliance date of January 31, 2016, as specified in 40 CFR 63.7495. In the 2017 Title V Second Semi-Annual Report dated March 26, 2018, the Respondent reported the initial tune-up and one-time energy assessment was performed on February 2, 2018 and March 22, 2019, 733 days and 781 days past the compliance date. Failure to complete an initial tune-up and one-time energy assessment no later than the compliance date of January 31, 2016 is a violation of 40 CFR 63.7510(e), which language has been adopted as a Louisiana regulation in LAC 33:III.5122, and La. R.S. 30:2057(A)(2). | | |
| V. | File Review December 8, 2022 | The Respondent failed to submit an Initial Notification for EQT0010 no later than 120 days after January 31, 2013. The Respondent submitted the Initial Notification on March 26, 2018, 1760 days past the due date of May 31, 2013. Failure to submit an Initial Notification letter no later than 120 days after January 31, 2013 is a violation of 40 CFR 63.7545(b), which language has been adopted as a Louisiana regulation in LAC 33:III.5122, and La. R.S. 30:2057(A)(2). | | |
| VI. | File Review December 8, 2022 | The Respondent failed to submit the Notification of Compliance Status for EQT0010 within 60 days of January 31, 2016, as specified in 40 CFR 63.7495. The Respondent submitted the Notification of Compliance Status on May 21, 2018, 781 days past the compliance date of March 31, 2016. Failure to submit the Notification of Compliance Status within 60 days of the compliance date of January 31, 2016 is a violation of 40 CFR 63.7545(e), which language has been adopted as a Louisiana regulation in LAC 33:III.5122, 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 Katie Bowers at 225-219-3760 within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY . | | | |



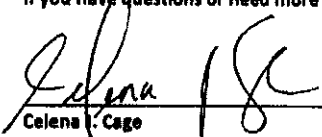
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| III. | The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please 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. |
| 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. |

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| Enforcement Division: | Physical Address (if hand delivered): |
| Louisiana Department of Environmental Quality Office of Environmental Compliance Air Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Katie Bowers | Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802 |

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.
- The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.
- **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 Katie Bowers at 225-219-3760 or Katie.Bowers@la.gov.


 Celena I. Cago
 Assistant Secretary
 Office of Environmental Compliance

Date: 12/27/2022

- c: Kinder Morgan
c/o Cyrus Harper, Division Director
17057 FM 1485
New Caney, TX 77357
- c: Southern Natural Gas Company, L.L.C.
c/o Samantha Hon, Air Permitting & Compliance Specialist
1001 Louisiana Street, Suite 1000
Houston, TX 77002

Attachment(s)
 - Request to Settle

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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-22-00549 | Contact Name | Katie Bowers | | | | |
| Agency Interest (AI) No. | 31557 | Contact Phone No. | 225-219-3760 | | | | |
| Alternate ID No. | 0360-00011 | | | | | | |
| Respondent: | SOUTHERN NATURAL GAS COMPANY, L.L.C. | Facility Name: | Blenville Compressor Station | | | | |
| | c/o CT Corporation System Agent for Service of Process | Physical Location: | 10275 Highway 507 | | | | |
| | 3867 Plaza Tower Drive | City, State, Zip: | Blenville, LA 71008 | | | | |
| | Baton Rouge, LA 70816 | Parish: | Blenville | | | | |
| (check the applicable option) | | | | | | | |
| <input type="checkbox"/> | 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. | | | | | | |
| <input type="checkbox"/> | In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-PP-22-00549), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures. | | | | | | |
| <input type="checkbox"/> | The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this NOTICE OF POTENTIAL PENALTY (AE-PP-22-00549). | | | | | | |
| <input type="checkbox"/> | In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-PP-22-00549), 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. | | | | | | |
| <input type="checkbox"/> | The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-PP-22-00549) and has attached a justification of its offer and a description of any BEPs if included in settlement offer. | | | | | | |
| 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: Katie Bowers | | | | | | | |

If you have questions or need more information, you may contact Katie Bowers at 225-219-3760 or Katie.Bowers@la.gov.