STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-12-0052**
TEXAS GAS TRANSMISSION, LLC	*	
	*	**Enforcement Tracking No.**
AI # 4924, 44723	*	**AE-PP-10-01021**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between TEXAS GAS TRANSMISSION, 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 owns and/or operates the Sharon and Guthrie Gas Compressor Stations located at 757 Sharon Road and Louisiana Highway 152 in Dubach, Claiborne Parish, Louisiana, and 129 Texas Gas Road in Sterlington, Ouachita Parish, Louisiana ("the Facilities").

II

On July 19, 2011, the Department issued to Respondent a Notice of Potential Penalty ("NOPP"), Enforcement No. AE-PP-10-01021, which was based upon the following findings of fact:

On or about December 9, 2010, a file review of **SHARON STATION (AGENCY INTEREST NO. 4924)**, owned and/or operated by **TEXAS GAS TRANSMISSION, LLC**

(RESPONDENT), was 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 757 Sharon Road and Louisiana Highway 152 in Dubach, Claiborne Parish, Louisiana. The facility currently operates under Title V Permit No. 0620-00024-V2 issued on August 28, 2010.

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 review:

A. According to the Respondent's permit application dated March 10, 2010, a pipeline distillate tank was replaced with a larger tank during the 2006 calendar year. The previous tank (TK18) had a capacity of 3,000 gallons while the new tank (TK19) has a capacity of 8,000 gallons. The Respondent's failure to submit a permit application prior to construction, reconstruction, or modification of the facility is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2). Title V Permit No. 0620-00024-V2 reflects this change.

B. According to the Respondent's permit application dated March 10, 2010, a pipeline distillate tank was replaced with a larger tank during the 2006 calendar year. The previous tank (TK18) had a capacity of 3,000 gallons while the new tank (TK19) has a capacity of 8,000 gallons. The construction, modification, or operation of a source which may ultimately result in an initiation or increase in emission of air contaminants prior to approval from the permitting authority is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 0620-00024-V2 reflects this change.

On or about July 8, 2010, a file review of **GUTHRIE COMPRESSOR STATION (AGENCY INTEREST NO. 44723)**, owned and/or operated by **TEXAS GAS TRANSMISSION, LLC (RESPONDENT)**, was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The facility is located at 129 Texas Gas Road in Sterlington, Ouachita Parish, Louisiana. The facility currently operates under Title V Permit No. 2160-00049-V2, issued on April 21, 2010.

While the investigation by the Department is not yet complete, the following violation was noted during the course of the file review:

> According to the Respondent's permit application dated December 10, 2009, the emergency generator at the facility was replaced with a similar unit during the 2008 calendar year. The Respondent's failure to submit a permit application prior to construction, reconstruction, or modification of the facility is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2). Title V Permit No. 2160-00049-V2, issued on April 21, 2010, reflects this replacement.

The following deviations, although not included in the foregoing enforcement action, are included within the scope of the settlement herein.

> In correspondence dated August 4, 2011, the Respondent reported there are currently two emergency generators in service at the facility and only one appears in the permit. A miscommunication caused the permit application to incorrectly state that the new generator was a replacement for an existing Communications Emergency Generator instead of adding a generator. The new generator was installed in 2008 (AX03). The existing emergency generator (AX02) still remains in service in spite of the application stating it had been replaced. The unauthorized operation of generator AX02 is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(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 FIVE THOUSAND AND NO/100 DOLLARS ($5,000.00), of which Four Hundred Thirty-Four and 53/100 DOLLARS ($434.53) 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), 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

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Claiborne and Ouachita Parishes, Louisiana. The

advertisement, in form, wording, and size 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 from the newspaper of each affected parish 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.

IX

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).

X

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

XI

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 GAS TRANSMISSION, LLC

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

BY: _____
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20_____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
Cheryl Sonnier Nolan, Assistant Secretary