

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

TENNESSEE GAS PIPELINE COMPANY

AI # 2448

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

* Settlement Tracking No.
* SA-AE-11-0015
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* Enforcement Tracking No.
* AE-PP-10-00692
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SETTLEMENT

The following Settlement is hereby agreed to between Tennessee Gas Pipeline Company (“Respondent”) and the Department of Environmental Quality (“LDEQ” 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 corporation that owns and/or operates a gas compressor station facility located in Port Sulphur, Plaquemines Parish, Louisiana (“the Facility”).

II

On January 19, 2011, the LDEQ issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-10-00692, which was based upon the following findings of fact:

On or about January 14, 2010, an inspection of Compressor Station 527, owned and/or operated by Tennessee Gas Pipeline Company, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act and the Air Quality Regulations. The facility is located at 26166 Louisiana Highway 23 South in Port Sulphur, Plaquemines Parish, Louisiana. The facility currently operates under Title V Permit No. 2240-00009-V3 issued on June 15, 2010.

The following violation was noted during the course of the inspection and subsequent file review conducted on May 24, 2010:

In a letter dated August 27, 2009, the Respondent reported a seal on the T-6 Vessel (EQT012) was discovered to have failed resulting in flash gas venting to the atmosphere. According to an email from the Respondent's representative submitted to the Department on May 17, 2010, an estimated 18 tons of Volatile Organic Compounds (VOCs) were emitted through the faulty seal on the T-6 Vessel. This is a violation of LAC 33:III.905 which states, "To aid in controlling the overall levels of air contaminants into the atmosphere, air pollution control facilities should be installed whenever practically, economically, and technologically feasible. When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded. " Additionally, the unauthorized emission of VOCs from the T-6 vessel 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 LDEQ agrees to accept, a payment in the amount of TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00), of which Five Hundred and No/100 Dollars (\$500.00) represents the LDEQ'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 LDEQ 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 LDEQ 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 LDEQ 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 LDEQ 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 LDEQ 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 Plaquemines Parish, Louisiana. The advertisement, in form, wording, and size approved by the LDEQ, 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 LDEQ and, as of the date this

Settlement is executed on behalf of the LDEQ, 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 LDEQ. 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.

TENNESSEE GAS PIPELINE COMPANY

BY: William G. Cope
(Signature)

William G. Cope
(Printed)

TITLE: VP

SJM

THIS DONE AND SIGNED in duplicate original before me this 13th day of July, 20 11, at Birmingham, AL.

Rhonda E. Creel
NOTARY PUBLIC (ID # _____)

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Dec 28, 2014
BONDED THRU NOTARY PUBLIC UNDERWRITERS

(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

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

THIS DONE AND SIGNED in duplicate original before me this 18 day of October, 20 11, at Baton Rouge, Louisiana.

Debra King
NOTARY PUBLIC (ID # 20590)
Life Commission

Debra King
(stamped or printed)

Approved: Cheryl
Cheryl Sonnier Nolan, Assistant Secretary