

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

COLONIAL PIPELINE COMPANY

AI # 588, 3511, 24968, 24971, 25330, 27646,  
41086, 126499, 166120

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

\* Settlement Tracking No.  
\* SA-AE-14-0038  
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\* Enforcement Tracking No.  
\* AE-PP-09-0578  
\* AE-PP-09-0578A  
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SETTLEMENT

The following Settlement is hereby agreed to between Colonial Pipeline Company (“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 corporation that owns and/or operates facilities located in East Feliciana, Calcasieu, Acadia, St. Landry, Jefferson Davis, and Plaquemines Parishes (“the Facilities”).

II

On October 28, 2011, the Department issued to Respondent a Notice of Potential Penalty (NOPP), Enforcement No. AE-PP-09-0578, which was based upon the following findings of fact:

“On or about June 9, 2009, and July 22, 2009, the Department held meetings with **COLONIAL PIPELINE COMPANY (RESPONDENT)** to determine the degree of compliance of several facilities owned and/or operated by the Respondent with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. Additionally, the Department conducted a

file review for the facilities on or about June 1, 2011. The aforementioned facilities are listed as follows:

<b>Facility Name</b>	<b>AI No.</b>	<b>Location</b>	<b>Permit No.</b>
Baton Rouge Tank Farm	588	1476 LA Hwy. 61, Jackson, East Feliciana Parish, LA	0880-00007-V5
Baton Rouge Junction Facility	27646	1476 LA Hwy. 61 Jackson, East Feliciana Parish, LA	3033-V3
Lake Charles Station	3511	2053 Clifton Ridge Rd., Sulphur, Calcasieu Parish, LA	0520-00424-00
Church Point Station	24968	2105 Britany Hwy., Church Point, Acadia Parish, LA	0040-00180-01
Krotz Springs Station	24971	329 LA Hwy. 105 S., Krotz Springs, St. Landry Parish, LA	2600-00084-00
Welsh Station	25330	18508 LA Hwy. 99, Welsh, Jefferson Davis Parish, LA	N/A
Felixville Station	41086	Folly Brown Rd., Jackson, East Feliciana Parish, LA	0880-00044-01
Alliance Station	126499	15551 LA Hwy. 23 S., Belle Chasse, Plaquemines Parish, LA	N/A
Opelousas Delivery Station	166120	5495 LA Hwy. 182, Opelousas, St. Landry Parish, LA	N/A

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 meetings and file review:

- A. According to LAC 33:III.2103.A, tanks with a volume greater than 250 gallons and below 40,000 gallons with a maximum true vapor pressure of 1.5 psia or greater at storage conditions must be equipped with either a submerged fill pipe or a vapor loss control system. The Respondent owns and/or operates the following tanks at the nine (9) facilities mentioned above that meet the subject criteria of LAC 33:III.2103.A:

<b>AI No.</b>	<b>Location</b>	<b>Sump ID No.</b>	<b>LDEQ EQT No.</b>	<b>Beginning Operation Date</b>	<b>Installation Date</b>
588	Baton Rouge Tank Farm	004	EQT0025	7/26/2006	9/16/2009
		005	EQT0026	7/26/2006	9/16/2009
		006	EQT0027	7/26/2006	9/16/2009

AI No.	Location	Sump ID No.	LDEQ EQT No.	Beginning Operation Date	Installation Date
27646	Baton Rouge Junction Facility	SU-1	TSUM	6/6/2006	9/16/2009
		SU-2	TSUM	6/6/2006	9/16/2009
		SU-3	TSUM	6/6/2006	9/16/2009
		SU-4	N/A	6/6/2006	9/16/2009
		SU-5	N/A	6/6/2006	9/16/2009
		SU-6	N/A	6/6/2006	9/16/2009
24968	Church Point Station	S-1	N/A	November 1980	Week of 8/31/2009
		S-2	N/A	October 1963	Week of 8/31/2009
41086	Felixville Station	S-1	N/A	October 1966	Week of 9/7/2009
		S-2	N/A	November 1979	Week of 9/7/2009
25330	Welsh Station	S-1	N/A	October 1966	Week of 9/7/2009
24971	Krotz Springs Station	S-1	N/A	June 1981	Week of 9/7/2009
		S-2	N/A	June 1981	Week of 9/7/2009
		S-3	N/A	October 1966	Week of 9/7/2009
3511	Lake Charles Station	S-1	N/A	December 1976	Week of 8/31/2009
		S-2	N/A	December 1976	Week of 8/31/2009
		S-3	N/A	October 1963	Week of 8/31/2009
		S-4	N/A	October 1963	Week of 8/31/2009
166120	Opelousas Delivery Station	S-1	N/A	October 1963	Week of 9/7/2009
126499	Alliance Station	S-1	N/A	2001	To Be Determined

The twenty-three (23) tanks listed above were operated without submerged fill pipes or vapor loss control systems from the beginning operation dates to the installation dates in the above table. The tanks with beginning operation dates prior to the promulgation of LAC 33:III.2103.A on June 6, 1994, have been operated without submerged fill pipes or vapor loss control systems since the promulgation of said date. Each operation of the tanks without submerged fill pipes or vapor loss control systems is a violation of LAC 33:III.2103.A and La. R. S. 30:2057 (A)(2).

- B. The Krotz Springs Station and Lake Charles Station, owned and/or operated by the Respondent, that were previously exempt from permitting based on historical emissions calculations, are now required to have an air permit due to revised AP-42 emission factors promulgated in November 2006. These two (2) booster stations have the potential to emit greater than five (5) tons of hazardous air pollutants per year; therefore, forfeiting

the permit exempt status. The Respondent has operated the facilities without an air permit since November 2006. The Lake Charles Station was issued Minor Source Air Permit No. 0520-00424-00 on or about March 5, 2010, and the Krotz Springs Station was issued Minor Source Air Permit No. 2600-00084-00 on or about January 22, 2010. Each failure to operate the facilities with approval from the permitting authority is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and La. R. S. 30:2057(A)(2).”

On November 1, 2012, the Department issued to Respondent an Amended Notice of Potential Penalty (NOPP), Enforcement No. AE-PP-09-0578A, which was based upon the following findings of fact:

“The Department hereby amends the Notice to delete Agency Interest No. 588, Baton Rouge Tank Farm, and Agency Interest No. 25330, Welsh Station, from the Notice.

The Department hereby amends Paragraph A of the Notice to read as follows:

- A. According to LAC 33:III.2103.A, tanks with a volume greater than 250 gallons and below 40,000 gallons with a maximum true vapor pressure of 1.5 psia or greater at storage conditions must be equipped with either a submerged fill pipe or a vapor loss control system. The Respondent owns and/or operates the following sumps and tanks at the seven (7) facilities mentioned below that meet the subject criteria of LAC 33:III.2103.A:

<b>AI. No.</b>	<b>Location</b>	<b>No. of Sumps in Gasoline Service Without Submerged Fill Pipe</b>	<b>No. of 500-gallon Skid Tanks in Gasoline Service Without Submerged Fill Pipe</b>	<b>Beginning Operation Date of Tanks</b>	<b>Installation Date of Submerged Fill Pipes</b>
27646	Baton Rouge Junction	2	2	6/6/06	Week of 9/16/09
3511	Lake Charles	2	1	Prior to 1976	Week of 8/31/09
24968	Church Point	1	0	Prior to 1980	Week of 8/31/09
24971	Krotz Springs	1	0	Prior to 1981	Week of 9/7/09
41086	Felixville	1	0	Prior to 1979	Week of 9/7/09

<b>AI. No.</b>	<b>Location</b>	<b>No. of Sumps in Gasoline Service Without Submerged Fill Pipe</b>	<b>No. of 500-gallon Skid Tanks in Gasoline Service Without Submerged Fill Pipe</b>	<b>Beginning Operation Date of Tanks</b>	<b>Installation Date of Submerged Fill Pipes</b>
126499	Alliance	1	0	Prior to 2001	10/23/09
166120	Opelousas	1	0	Prior to 1963	Week of 9/7/09

The nine (9) sumps and three (3) tanks listed above were operated without submerged fill pipes or vapor loss control systems from the beginning operation dates to the installation dates in the above table. The tanks with beginning operation dates prior to the promulgation of LAC 33:III.2103.A on June 6, 1994, have been operated without submerged fill pipes or vapor loss control systems since the promulgation of said date. Each operation of the tanks without submerged fill pipes or vapor loss control systems is a violation of LAC 33:III.2103.A and La. R. S. 30:2057(A)(2).

The Department hereby amends Paragraph B of the Notice to read as follows:

- B. The Lake Charles Station, Church Point Station, Krotz Springs Station and Felixville Station, owned and/or operated by the Respondent, that were previously exempt from permitting based on historical emissions calculations, are now required to have an air permit due to revised AP-42 emission factors promulgated in November 2006. These four (4) booster stations have the potential to emit greater than five (5) tons of hazardous air pollutants per year; therefore, forfeiting the permit exempt status. The Respondent has operated each facility without an air permit since November 2006 until the Lake Charles Station was issued Minor Source Air Permit No. 0520-00424-00 on or about March 5, 2010, the Church Point Station was issued Minor Source Air Permit No. 0040-00180-00 on or about March 2, 2010, the Krotz Springs Station was issued Minor Source Air Permit No. 2600-00084-00 on or about January 22, 2010, and the Felixville Station was issued Minor Source Air Permit No. 2540-00034-00 on or about March 12, 2010. Each failure to operate the facilities with approval from the permitting authority is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and La. R. S. 30:2057(A)(2).

The Department hereby adds Paragraph C to the Notice, which shall read as follows:

- C. The Respondent self-reported by letters submitted to the Department on September 29, 2009, and November 22, 2011, for the Baton Rouge Junction Facility that two (2) engines, EQT0052 and EQT0053; two (2) tanks, EQT0050 and EQT0051; six (6) sumps, EQT0040, EQT0041, EQT0042, EQT0043, EQT0044 and EQT0045; and four (4) skimmers, EQT0046,

EQT0047, EQT0048 and EQT0049, were operated at the facility without being included in the permit. Specifically, due to a revision in emission calculation methodologies used across the pipeline system, the engines, tanks, sumps and skimmers were not previously considered to be emission sources. The emission sources were included in Title V Permit No. 3033-V3 issued to the Respondent on November 2, 2009. The operation of each equipment prior to being included in the permit is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).”

The Department hereby adds Paragraph D to the Notice, which shall read as follows:

- D. The Respondent self-reported by letters submitted to the Department on September 29, 2009, and November 22, 2011, for the Baton Rouge Junction Facility that estimated fugitive emissions from the facility exceeded permitted limits. Specifically, due to a revision in emission calculation methodologies, estimated emissions from fugitive piping and components was determined to exceed permitted fugitive emission limits. Prior to the revision estimated emission rates for volatile organic compounds (VOCs) were 1.84 tons per year at 0.42 pounds per hour. After the revision estimated emission rates for VOCs were 7.44 tons per year at 1.70 pounds per hour. Fugitive emissions limits were reconciled in Title V Air Permit No. 3033-V3 issued to the Respondent on November 2, 2009. Each exceedance of the permit limits is a violation of Title V Air Permit No. 3033-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

The Department incorporates all of the remainder of the original **NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-PP-09-0578**, and **AGENCY INTEREST NOs. 27646, 3511, 24968, 24971, 41086, 126499 and 166120** as if reiterated herein.”

The following violation, although not cited in the foregoing enforcement action(s), are included within the scope of this settlement:

On or about August 10, 2012, the Respondent submitted a notification of completion of construction to the Department for the Felixville Station location (AI# 41086). The report indicated that completion of construction and start-up of operations occurred on or about July 19, 2012. The report was required to be submitted within ten (10) days of completion, or by July 29, 2012. This is a violation of LAC 33:III.537.

### 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 FIFTY THOUSAND AND NO/DOLLARS (\$50,000.00), of which Seven Hundred Eighty-Five and 15/100 Dollars (\$785.15) 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 NOPPs, 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 East Feliciana, Calcasieu, Acadia, St. Landry, and Plaquemines 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.

COLONIAL PIPELINE COMPANY

BY: Carroll D. White  
(Signature)

Carroll D. White  
(Printed)

TITLE: Operations Manager

THUS DONE AND SIGNED in duplicate original before me this 3rd day of November, 20 14, at 09:49.

Belenda J. Smith  
NOTARY PUBLIC (ID # 69589)

\_\_\_\_\_  
(stamped or printed)


LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
Peggy M. Hatch, Secretary

BY: D. Chm. Why  
Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 19 day of February, 20 15, at Baton Rouge, Louisiana.

Debra C. King  
NOTARY PUBLIC (ID # 22590)  
La. Bar Roll #  
File Commission

Debra C. King  
(stamped or printed)

Approved:   
Cheryl Sonnier Nolan, Assistant Secretary