# STATE OF LOUISIANA

# DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF: \* Settlement Tracking No.

\* SA-AE-19-0083

SOUTHERN NATURAL GAS

COMPANY, L.L.C.

\* AE-PP-16-00094

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

## 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").

Ι

Respondent is a limited liability company that owns and/or operates facilities located in Logansport, DeSoto Parish, Louisiana and St. Bernard, St. Bernard Parish, Louisiana ("the Facility").

II

On June 30, 2017, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-16-00094 (Exhibit 1).

On November 8, 2017, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-17-00295 (Exhibit 2).

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 SEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$7,500.00), of which One Thousand Three Hundred Twenty-Six and 70/100 Dollars (\$1,326.70) 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 Notices 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 St. Bernard Parish, Louisiana and DeSoto 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.

# SOUTHERN NATURAL GAS COMPANY, L.L.C. TITLE: Asst. Gen. Come THUS DONE AND SIGNED in duplicate original before me this 2<sup>nd</sup> anhary ,20 20 , at 8:20 am CARMEN M. KOSS Notary Public, State of Texas Carmen M. Koss Comm. Expires 12-05-2022 Notary ID 125932525 (stamped or printed) LOUISIANA DEPARTMENT OF **ENVIRONMENTAL QUALITY** Chuck Carr Brown, Ph.D., Secretary BY: Lourdes Jurialde, Assistant Secretary Office of Environmental Compliance THUS DONE AND SIGNED in duplicate original before me this 20 20, at Baton Rouge, Louisiana.

Approved:

Lourdes Iturralde, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, Ph.D.

# State of Louisiana

# DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE

June 30, 2017

CERTIFIED MAIL (7004 2510 0006 3852 8328) RETURN RECEIPT REQUESTED

SOUTHERN NATURAL GAS COMPANY, L.L.C.

c/o CT Corporation System Agent for Service of Process 3867 Plaza Tower Drive Baton Rouge, LA 70816

RE: NOTICE OF POTENTIAL PENALTY

**ENFORCEMENT TRACKING NO. AE-PP-16-00094** 

AGENCY INTEREST NO. 17664

Dear Sir:

On or about September 29, 2015, an inspection of TOCA COMPRESSOR STATION (FACILITY), a natural gas compressor station facility, owned and/or operated by SOUTHERN NATURAL GAS COMPANY, L.L.C. (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 2400 Bayou Road, in St. Bernard, St. Bernard Parish, Louisiana and is currently operating under Title V Air Permit No. 2500-00019-V5 issued December 20, 2012 with an expiration date of March 29, 2017. The Respondent submitted the facility's air permit renewal application on September 26, 2016. Title V Air Permit No. 2500-00019-V5 has been administratively continued.

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 inspection:

A. During the inspection, a review of randomly selected six (6) months of records for compressor engine units 2 (EQT0005) and 3 (EQT0006) from 2013-2015 revealed catalyst inlet temperature readings ranging from approximately 400 to 1500 degrees Fahrenheit. A total of 65 days of deviations were noted to have occurred within a 5-month period, averaging approximately 10-15 days per month. Catalyst inlet temperatures are required to be between the values of 750-1250 degrees Fahrenheit. There were several instances where readings were not recorded and no malfunctions or shutdowns were noted. In correspondence dated July 13, 2016, the Respondent submitted revised 2013 and 2014 Semiannual Monitoring Reports and Annual Compliance Certifications which detailed instances when EQT0005 and EQT0006

operated outside of the required temperature range. Each failure to comply with the catalyst inlet temperature range, is a violation of Title V Permit No. 2500-00019-V5 Specific Requirements 7 and 14, 40 CFR 63.6600(a), which language has been adopted as a Louisiana regulation in LAC 33:III.5122, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). Each failure to maintain records is a violation of Title V Permit No. 2500-00019-V5 Specific Requirements 9 and 16, 40 CFR 63.6605(b) and 40 CFR 63.6655(d), which languages have been adopted as a Louisiana regulation in LAC 33:III.5122, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(2). In a correspondence dated April 27, 2016, the Respondent stated that the facility's engine reports were revised to include the correct catalyst temperature requirements. The Respondent stated that the units will shut down if the catalyst temperature is below 750 or above 1250 degrees Fahrenheit and the temperatures will be recorded.

- B. During the inspection, it was noted that catalyst differential pressure for 2013-2015 for compressor engine units 2 (EQT 0005) and 3 (EQT 0006) were being recorded on a 24 hour average and labeled as "monthly snapshots" on the daily reports. The inspector noted that data shows many days where readings were not recorded, and records were not produced for the majority of 2014 and randomly selected days of 2015. The Respondent did not record catalyst pressure differentials demonstrating compliance with 40 CFR 63.6600(a) and Specific Requirement Numbers 6 and 13. Each failure to record catalyst pressure differentials is a violation of Title V Permit No. 2500-00019-V5, LAC 33:III.501.C.4, 40 CFR 63.6655, which language has been adopted as a Louisiana regulation in LAC 33:III.5122, and La. R.S. 30:2057(A)(2). Correspondence dated April 27, 2016 states the Respondent will ensure all catalyst pressure differentials are recorded.
- C. During the review of the 2013 and 2014 Title V Semiannual Monitoring Reports and Annual Compliance Certifications, no deviations were noted in the reports. However, deviations for catalyst temperature and pressure differentials as mentioned in Paragraphs A and B of this enforcement action were not reported in the semiannual nor annual compliance documents. Each failure to comply with any term or condition of the permit is a violation of LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). Correspondence dated July 13, 2016 included amended reports containing catalyst temperature and pressure differential deviations.

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.

Prior to the issuance of any additional appropriate enforcement action, 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 A. Prudente at (225) 219-3378 or via email at jackie.prudente@la.gov within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY.

Notice of Potential Penalty Southern Natural Gas Company, L.L.C. Page 3

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.

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.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this 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 Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. 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.

The NOTICE OF POTENTIAL PENALTY will not be closed if the Respondent owes outstanding fees to the Department. Please contact the Financial Services Division at 225-219-3865 or via email at \_DEQ-WWWFinancialServices@la.gov to determine if you owe outstanding fees.

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.

Sincerety

Lourdes Iturralde Assistant Secretary

Office of Environmental Compliance

LI/JAP/jap Alt ID No. 2500-00019 Notice of Potential Penalty Southern Natural Gas Company, L.L.C. Page 4

c: Southern Natural Gas Company, LLC-Toca Compressor Station
 c/o Keith Leblanc, Manager
 2400 Bayou Road
 St. Bernard, LA 70085

# LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

**ENFORCEMENT DIVISION** 

**NOTICE OF POTENTIAL PENALTY** 

	FFICE BOX 4312 ROUGE, LOUISIANA 7		QUEST TO SETTLE (C	PTIONAL)	DEQ
	ment Tracking No.	AE-PP-16-000	94	Contact Name	Dr. Jacqueline A. Prudente
	Interest (AI) No.	17664		Contact Phone No.	(225) 219-3378
	te ID No.	2500-00019		Contact Hone No.	(223/213 3376
Respon	dent:		ural Gas Company, LLC	Facility Name:	Toca Compressor Station
		c/o CT Corpor		Physical Location:	2400 Bayou Road
1			vice of Process	1 / 5.102.1 2000.10.11	2400 bayou noud
		3867 Plaza To		City, State, Zip:	St. Bernard, LA 70085
		Baton Rouge,	LA 70816	Parish:	St. Bernard
			SETTILEMENT OF	ER (OPTIONAL)	
			(check the appl	icable option)	
	In order to resolve a	ight to assess ci iny claim for ci	vil penalties based on LA vil penalties for the vio	C 33:I.Subpart1.Chapte	POTENTIAL PENALTY (AE-PP-16-00094), the
	discuss settlement pro	ocedures.	into settlement negoti	ations with the Departi	ment and would like to set up a meeting to
v	Monetary com     Beneficial Envir     DO NOT SUBM     the Responder  The Respondent has	erested in er which sha ponent = ronmental Proje IT PAYMENT Of ent as to whether reviewed the v	ntering into settlemental include LDEQ enforced ect (BEP)component (option of the OFFER WITH THIS er the offer is or is not account to the other than the offer is or is not account to the other than the other t	nt negotiations with ment costs and any more special in the second	POTENTIAL PENALTY (AE-PP-16-00094), the the Department and offers to pay netary benefit of non-compliance.  It will review the settlement offer and notify  ALTY (AE-PP-16-00094) and has attached a
			CERTIFICATION	STREET,	
I certify	, under provisions in	Louisiana and	United States law tha	t provide criminal per	alties for false statements, that based on
informa	tion and belief forme	d after reason	able inquiry, the state	ments and informatio	n attached and the compliance statement
apove,	are true, accurate, and	complete. I als	o certify that I do not o	ve outstanding fees or	penalties to the Department for this facility
Respon	dent.	or operate. I Ju	irtner certify that I an	either the Responde	nt or an authorized representative of the
пеэрот					T
			Ÿ	ਕੰ	
	Respondent's Signat	ture	Respondent	s Printed Name	Respondent's Title
	Respondent's Physi	cal Address	Respo	ondent's Phone #	Date
		MAIL CON	PLETED DOCUMEN		
	a Department of Enviro		Ту	•:	
	Environmental Compli	iance			
	nent Division				
P.O. Box					
	ouge, LA 70821		¥:		
ALUI: DI	. Jacqueline A. Pruden	te			

# LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

**ENFORCEMENT DIVISION** POST OFFICE BOX 4312

### NOTICE OF POTENTIAL PENALTY



BATON ROUGE, LOUISIANA 70821-4312

	7 0022 1022		LUUISIANA -
Enforcement Tracking No.	AE-PP-17-00295	Certified Mail No.	7016 2140 0000 5132 8406
Agency Interest (AI) No.	14544	Contact Name	Christopher Clement
Alternate ID No.	0760-00058	Contact Phone No.	(225) 219-3748
Respondent:	Southern Natural Gas Company, L.L.C.	Facility Name:	Logansport Compressor Station
	c/o C T Corporation System	Physical Location:	239 Natural Gas Rd
	Agent for Service of Process		
	3867 Plaza Tower Dr.	City, State, Zip:	Logansport, LA 71049
	Baton Rouge, LA 70816	Parish:	DeSoto

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

١.	I. The Respondent owns and/or operates a compressor station located at 239 Natural Gas Rd, Logansport, DeSc Louisiana. The facility currently operates under Air Permit No. 0760-00058-V3 issued on April 11, 2017.			
	Date of Violation	Description of Violation		
	Inspection(s)	The inspector noted that the Respondent was not able to produce maintenance records for the inspection of spark plugs on Emergency Generator (EQT 0006) for the years 2015 and 2016. In correspondence dated		
II.	January 19, 2017 April 19, 2017, the Respondent stated that the maintenance tasks for RICE MACT integrated into their MAXIMO maintenance tracking system and mistakenly loaded institute angles careful institute and control of the co			
		NOTICE OF POTENTIAL PENALTY		
1.	violation(s) described	0:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you ents, it is requested that they be submitted within ten (10) days of receipt of this notice.		
11.	Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to preser any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Christophe Clement at (225) 219-3748 within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY.			
111	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 o 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.			
VI.	For each violation de	scribed herein, the Department reserves the right to seek civil penalties and the right to seek compliance ulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek		
V.	*	handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this espondence in response to this action.		

Enforcement Division:	Physical Address (if hand delivered):
Louisiana Department of Environmental Quality	
Office of Environmental Compliance	Department of Environmental Quality
Air Enforcement Division	602 N Fifth Street
P.O. Box 4312	Baton Rouge, LA 70802
Baton Rouge, LA 70821	Springer seems - Consumption (Consumption of Consumption of Consum
Attn: Christopher Clement	

**EXHIBIT** NOPP FORM 1

#### 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:I.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 Christopher Clement at (225) 219-3748 or

Christopher.Clement@la.gov/

Date: \_\_\_\_\_

Lourdes Iturralde Assistant Secretary

Office of Environmental Compliance

cc: Southern Natural Gas Company, L.L.C. c/o Brad Heron – Operations Specialist 239 Natural Gas Rd. Logansport, LA 71049

#### Attachment(s)

- Request to Settle

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

Date

	ement Tracking No.	70821-4312 AE-PP-17-00295	Contact Name	China La Claud
	y Interest (AI) No.	14544	Contact Name Contact Phone No.	Christopher Clement
	ate ID No.	0760-00058	Contact Phone No.	(225) 219-3748
-	ndent:			
		Southern Natural Gas Company, L.L.C.	Facility Name:	Logansport Compressor Station
		c/o C T Corporation System	Physical Location:	239 Natural Gas Rd
		Agent for Service of Process		
		3867 Plaza Tower Dr.	City, State, Zip:	Logansport, LA 71049
		Baton Rouge, LA 70816	Parish:	DeSoto
		SETTLEMENT O	FFER (OPTIONAL)	
		(check the ap	plicable option)	
	In order to resolve Respondent is in  Monetary cor Beneficial Env	rocedures.  any claim for civil penalties for the v terested in entering into settlemwhich shall include LDEQ enforce inponent = ironmental Project (BEP)component (o	iolations in NOTICE OF Present negotiations with ement costs and any mone \$	ent and would like to set up a meeting to  DTENTIAL PENALTY (AE-PP-17-00295), th the Department and offers to pactary benefit of non-compliance.  will review the settlement offer and notif
********	the Respon	dent as to whether the offer is or is not	accepted.	
etektik kine.	The Respondent has	dent as to whether the offer is or is not	accepted. TICE OF POTENTIAL PENA	ALTY (AE-PP-17-00295) and has attached a
	The Respondent has	dent as to whether the offer is or is not s reviewed the violations noted in NO fer and a description of any BEPs if inclu	accepted. TICE OF POTENTIAL PENA	
inform above,	the Respondent has justification of its off fy, under provisions in ation and belief form are true, accurate, and other facility I own	dent as to whether the offer is or is not serviewed the violations noted in NO fer and a description of any BEPs if including the control of	accepted.  TICE OF POTENTIAL PENAL ded in settlement offer.  ON STATEMENT nat provide criminal penal dements and information owe outstanding fees or provide criminal penal dements.	

Respondent's Physical Address Respondent's Phone # 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: Christopher Clement

If you have questions or need more information, you may contact Christopher Clement at (225) 219-3748 or Christopher.Clement@la.gov.