

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

GULF SOUTH PIPELINE COMPANY, LP

AI # 23638

PROCEEDINGS UNDER THE LOUISIANA  
ENVIRONMENTAL QUALITY ACT

LA. R.S. 30:2001, ET SEQ.

\* Settlement Tracking No.  
\* SA-AE-19-0033  
\*  
\* Enforcement Tracking No.  
\* AE-PP-16-00249  
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SETTLEMENT

The following Settlement is hereby agreed to between Gulf South Pipeline Company, LP (“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 Delaware limited partnership that owns and/or operates a natural gas compressor station facility located in Bienville Parish, Louisiana (“the Facility”).

II

On April 4, 2018, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-16-00249, attached as Exhibit A (the “Notice”).

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 TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00), of which Four Hundred Four and 62/100 Dollars (\$404.62) represents the Department's enforcement costs, in settlement of the claims set forth in the Notice. 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 Notice 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 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 (Exhibit B).

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.

**Gulf South Pipeline Company, LP  
By GS Pipeline Company, LLC, its general  
partner**

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**  
Chuck Carr Brown, Ph.D., Secretary

BY: \_\_\_\_\_  
Lourdes Iturralde, 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:  \_\_\_\_\_  
Lourdes Iturralde, Assistant Secretary

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312			<b>NOTICE OF POTENTIAL PENALTY</b>					
Enforcement Tracking No.	AE-PP-16-00249	Certified Mail No.	7014 0510 0001 7431 7052					
Agency Interest (AI) No.	23638	Contact Name	Pascal Ojong					
Alternate ID No.	0360-00017	Contact Phone No.	(225) 219-4468					
Respondent:	Gulf South Pipeline Company, LP	Facility Name:	Hall Summit Compressor Station					
	c/o Corporation Service Company	Physical Location:	407 US Highway 371					
	Agent for Service of Process							
	501 Louisiana Avenue	City, State, Zip:	Ringgold, Louisiana 71068					
Baton Rouge, LA 70802	Parish:	Bienville						
This <b>NOTICE OF POTENTIAL PENALTY</b> 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).								
<b>FINDINGS OF FACT</b>								
<i>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>								
I.	The Respondent owns and/or operates the Hall Summit Compressor Station (the Facility), a fossil-fueled steam electric generator facility, located at 407 US Highway 371 in Ringgold, Bienville Parish, Louisiana. The Facility operates or has operated under the authority of the Title V Air Permit No. 0360-00017-V4 issued on April 25, 2011 and Title V Air Permit No. 0360-00017-V5 issued on October 24, 2014. On March 23, 2018, a file review of the Facility, was conducted by the Department to determine the degree of compliance with the Air Quality Regulations.							
	<b>Date of Violation</b>	<b>Description of Violation</b>						
		<b>Permit Number</b>	<b>Emission Point</b>	<b>Duration</b>	<b>Operating Parameter</b>	<b>Reported Cause</b>	<b>Regulatory or Permit Requirements</b>	
II	Incident September 29, 2014	0360-00017-V4	EQT0020	8hrs	Comply with the Carbon Monoxide (CO) reduction by 93%, establish the pressure drop across the catalyst and maintain the pressure drop within 2 inches of water at 100% load at all time.	CO reduction was not in compliance, the catalyst needed cleaning. The catalyst was maintained and cleaned by the manufacturer. The required CO reduction was achieved upon returning the clean catalyst to service.	Specific Requirement 72 40 CFR 63.6600(b)	
	The failure to operate according to permitted requirements is a violation of Title V Permit No. 0360-00017-V4 and associated requirement(s) listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).							



III.	Inspection January 28, 2016	The Respondent did not conduct inspections or maintain inspection records for annual belts and hoses inspections for the Caterpillar 3408 generator engine (EQT0004). The failure to inspect or maintain inspection records of all hoses and belts every 500 hours of operation is a violation of Specific Requirement 17 and 28 of Title V Permit No. 0360-00017-V5, LAC 33:III.501.C.4, 40 CFR 63.6602 and 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). In electronic correspondence from the Respondent dated October 19, 2017, the Respondent submitted documentation demonstrating that inspections of belts and hoses are being conducted and records documented.
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**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 Pascal Cjong at (225) 219-4468 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.
- 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.
- VI. 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.

**CONTACTS AND SUBMITTAL OF INFORMATION**

<b>Enforcement Division:</b>	<b>Physical Address (if hand delivered):</b>
Louisiana Department of Environmental Quality Office of Environmental Compliance Air Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Pascal Ojong	Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802

**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 Pascal Ojong at (225) 219-4468 or [Pascal.Ojong@la.gov](mailto:Pascal.Ojong@la.gov)



**Lourdes Iturralde**  
**Assistant Secretary**  
**Office of Environmental Compliance**

Date: 4-4-18

c: Gulf South Pipeline Company, LP  
9 Greenway Plaza, Suite 2800  
Houston, TX 77046

Attachment  
Request to Settle

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-16-00249	Certified Mail No.	7014 0510 0001 7431 7052
Agency Interest (AI) No.	23638	Contact Name	Pascal Ojong
Alternate ID No.	0360-00017	Contact Phone No.	(225) 219-4468
Respondent:	Gulf South Pipeline Company, LP	Facility Name:	Hall Summit Compressor Station
	c/o Corporation Service Company	Physical Location:	407 US Highway 371
	Agent for Service of Process		
	501 Louisiana Avenue	City, State, Zip:	Ringgold, Louisiana 71068
	Baton Rouge, LA 70802	Parish:	Bienville

**SETTLEMENT OFFER (OPTIONAL)**

*(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:I.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in <b>NOTICE OF POTENTIAL PENALTY (AE-PP-16-00249)</b> , 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"/>	In order to resolve any claim for civil penalties for the violations in <b>NOTICE OF POTENTIAL PENALTY (AE-PP-16-00249)</b> , 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"> <li>• Monetary component = \$ _____</li> <li>• Beneficial Environmental Project (BEP) component (optional)= \$ _____</li> <li>• <b>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.</b></li> </ul>
<input type="checkbox"/>	The Respondent has reviewed the violations noted in <b>NOTICE OF POTENTIAL PENALTY (AE-PP-16-00249)</b> and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

**CERTIFICATION STATEMENT**

*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: Pascal Ojong

If you have questions or need more information, you may contact Pascal Ojong at (225) 219-4468 or [Pascal.Ojong@la.gov](mailto:Pascal.Ojong@la.gov)