

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

TARGA DOWNSTREAM LLC

AI # 5175

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

* Settlement Tracking No.
* SA-AE-20-0010
*
* Enforcement Tracking No.
* AE-PP-18-00441
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SETTLEMENT

The following Settlement is hereby agreed to between Targa Downstream 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 an existing storage and transfer facility for natural gas liquids located in Hackberry, Cameron Parish, Louisiana (“the Facility”).

II

On September 10, 2019, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-18-00441 (Exhibit 1).

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 FOUR THOUSAND SEVEN HUNDRED TWENTY AND NO/100 DOLLARS (\$4,720.00), of which Four Hundred Twenty-Three and 50/100 Dollars (\$423.50) 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

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 Cameron 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.

TARGA DOWNSTREAM LLC

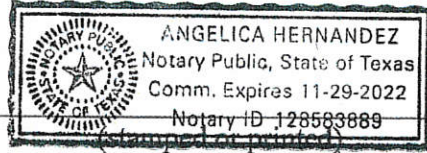
DocuSigned by:
BY: Bill Grantham
F2A3F897854641A
(Signature)

Bill Grantham
(Printed)

TITLE: Vice President Operations

THUS DONE AND SIGNED in duplicate original before me this 14th day of August, 20 20, at 3:24 p.m.

Angelica Hdz.
NOTARY PUBLIC (ID # 128583889)

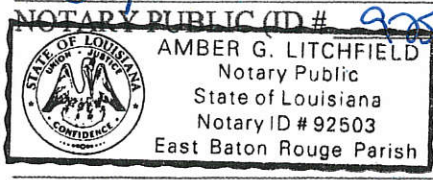


LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 25th day of March, 20 21, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 92503)



(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary

NOTICE OF POTENTIAL PENALTY



POST OFFICE BOX 4312
BATON ROUGE, LOUISIANA 70821-4312

Enforcement Tracking No.	AE-PP-18-00441	Certified Mail No.	7018 1130 0001 5655 0942
Agency Interest (AI) No.	5175	Contact Name	Jacob Danielson
Alternate ID No.	0560-00982	Contact Phone No.	(225) 219-3703
Respondent:	Targa Downstream LLC	Facility Name:	Hackberry Storage Facility
	c/o C T Corporation System	Physical Location:	101 Clarpha Road
	Agent for Service of Process	City, State, Zip:	Hackberry, Louisiana 70645
	3867 Plaza Tower Drive	Parish:	Cameron
Baton Rouge, Louisiana 70816			

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 citations for the violation(s) identified during the inspection and/or file review are indicated below.

I.	Date of Violation	Description of Violation
		The Respondent owns and/or operates Hackberry Storage Facility, an existing storage and transfer facility for natural gas liquids. The facility is located at 101 Clarpha Road in Hackberry, Cameron Parish, Louisiana. The facility currently operates under Air Permit No. 0560-00982-00.
II.	Chemical Accident Prevention Program (CAPP) Inspection February 6, 2018- February 7, 2018	The 2009 revalidation PHA and the 2014 revalidation-revalidation PHA did not contain the hazards of the process, engineering and administrative controls, consequences of failure of engineering and administrative controls, and a qualitative evaluation of the failure of controls in accordance with 40 CFR 68.67(c)(1)(3)(4)(7). This is a violation of 40 CFR 68.67(c)(1)(3)(4)(7), which language has been incorporated by reference in LAC 33:III.5901.A, and La. R.S.30:2057(A)(2).
III.	CAPP Inspection February 6, 2018- February 7, 2018	The Respondent failed to update and revalidate the PHA every five (5) years to assure it is consistent with the current process. The facility's Initial PHA was performed in 1995. The facility failed to update and revalidate any PHAs between 2001 and 2009. This is a violation of 40 CFR 68.67(f), which language has been incorporated by reference in LAC 33:III.5901.A and La. R.S. 30:2057(A)(2).
IV.	CAPP Inspection February 6, 2018- February 7, 2018	The Respondent failed to write a new procedure for MOC-2017-01 for the flow to and from Citgo's wells 12 and 7 to pipeline 33A. The failure to update a change in operating procedures or practices is a violation of 40 CFR 68.75(e), which language has been incorporated by reference in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2). In correspondence dated February 20, 2018, the Respondent provided the Department with the new procedure for MOC-2017-01. As a corrective action, the MOC coordinator will ensure that MOC reviews and activities such as updates to operating procedures are in place prior to the start-up of the change documented by the MOC.
V.	CAPP Inspection February 6, 2018- February 7, 2018	As part of the Pre-Startup Safety Review (PSSR), the Respondent failed to ensure operating procedures were in place prior to start-up. Specifically, a procedure for the flow to and from Citgo's well 12 and 7 to pipeline 33A was not written and implemented prior to startup. The failure to perform a PSSR is a violation of 40 CFR 68.77(b)(2), which language has been incorporated by reference in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2). In correspondence dated February 20, 2018, the Respondent provided the Department with the new procedure. As a corrective action, the MOC coordinator will ensure that MOC reviews and activities such as updates to operating procedures are in place prior to the start-up of the change documented by the MOC.
VI.	CAPP Inspection February 6, 2018- February 7, 2018	The Respondent failed to periodically evaluate contract employees to ensure they are trained in work practices to safely perform a job. This is a violation of 40 CFR 68.87(b)(5), which language has been incorporated by reference in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2). In correspondence dated February 20, 2018, the Respondent provided information which illustrates contractors are verified in ISNetwork. ISNetwork is used by the facility to evaluate potential contractors and reevaluate contractors on an annual basis.

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 Jacob Danielson at (225) 219-3703 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.

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- IV. 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.

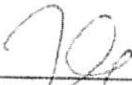
CONTACTS AND SUBMITTAL OF INFORMATION	
Enforcement Division: Louisiana Department of Environmental Quality Office of Environmental Compliance Air Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Jacob Danielson	Physical Address (if hand delivered): Department of Environmental Quality 502 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 33:1. Subpart 1. Chapter 7.
- 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 Jacob Danielson at (225) 219-3703 or Jacob.Danielson@LA.GOV.



 Lourdes Iturralde
 Assistant Secretary
 Office of Environmental Compliance

Date: 9-10-19

cc: Targa Downstream, LLC
 c/o Greg Stacner
 101 Clarpha Road
 Hackberry, Louisiana 70645

Attachment(s)
 - 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-18-00441	Contact Name	Jacob Danielson	
Agency Interest (AI) No.	5175	Contact Phone No.	(225) 219-3703	
Alternate ID No.	0560-00982			
Respondent:	Targa Downstream LLC c/o C T Corporation System Agent for Service of Process 3867 Plaza Tower Drive Baton Rouge, Louisiana 70816	Facility Name:	Hackberry Storage Facility	
		Physical Location:	101 Clarpha Road	
		City, State, Zip:	Hackberry, Louisiana 70645	
		Parish:	Cameron	
SETTLEMENT OFFER (OPTIONAL)				
<i>(check the applicable option)</i>				
<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 33:1 Subpart 1, Chapter 7			
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-PP-18-00441), 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 NOTICE OF POTENTIAL PENALTY (AE-PP-18-00441), 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"> • Monetary component = \$ _____ • Beneficial Environmental Project (BEP) component (optional) = \$ _____ 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.			
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-PP-18-00441) 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.				
DocuSigned by:  Respondent's Signature		Bill Grantham Respondent's Printed Name		Vice President Operations Respondent's Title
811 Louisiana St. Ste. 2100 Houston, TX 77002 Respondent's Physical Address		713-584-1000 Respondent's Phone #		8/17/2020 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: Jacob Danielson				

If you have questions or need more information, you may contact Jacob Danielson at (225) 219-3703 or Jacob.Danielson@LA.GOV.