

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

**TENNESSEE GAS PIPELINE COMPANY,
L.L.C.**

AI # 2448

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

* **Settlement Tracking No.**
* **SA-AE-22-0020**
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* **Enforcement Tracking No.**
* **AE-CN-21-00143**
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SETTLEMENT

The following Settlement is hereby agreed to between Tennessee Gas Pipeline 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”).

I

Respondent is a limited liability company that owns and/or operates a natural gas compressor station located in Port Sulphur, Plaquemines Parish, Louisiana (“the Facility”).

II

On July 1, 2021, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-21-00143 (Exhibit 1).

The following violation, although not cited in the foregoing enforcement action, is included within the scope of this settlement:

The Respondent reported in the 2021 Title V Second Semiannual Monitoring Report dated February 11, 2022, the flare (EQT 0009) was taken out of service while vapors were still being

routed to the flare and subsequently released. Specifically, on or about December 19, 2021, EQT 0009 was taken out of service for approximately 75 minutes as a safety precaution in order to repair a jammed pilot cable located at the top of the flare; however, control tank vapors were still being routed to the flare from the stabilization vessel (EQT 0012) and the flash vessel (EQT 0013). The flare (EQT 0009) controls the tank vapors from EQT 0012 and EQT 0013 while also serving as an overpressure prevention protection for the facility. Therefore, the process cannot be shut down while repairs are being made to the flare. The vapors released during this repair were estimated to be approximately 8.06 lbs of volatile organic compounds (VOCs). The failure to maintain the presence of a flame at the flare tip when flare gas is routed to the flare is a violation of Specific Requirement 12 of Title V Air Permit No. 2240-00009-V7, LAC 33:III.509, La. R.S. 30:2057(A)(1), and La. R.S. 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 Department agrees to accept, a payment in the amount of SEVENTEEN THOUSAND AND NO/100 DOLLARS (\$17,000.00), of which One Thousand One Hundred Ninety-Three and 68/100 Dollars (\$1,193.68) 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 Consolidated Compliance Order & 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 Plaquemines 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.

**TENNESSEE GAS PIPELINE COMPANY,
LLC**

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: _____
Celena J. Cage, 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:  _____
Celena J. Cage, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

July 1, 2021

CERTIFIED MAIL (7018 2290 0000 5826 1647)
RETURN RECEIPT REQUESTED

TENNESSEE GAS PIPELINE COMPANY, L.L.C.

c/o Capitol Corporate Services, Inc.
Agent for Service of Process
8550 United Plaza Building II, Suite 305
Baton Rouge, LA 70809

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-21-00143
AGENCY INTEREST NO. 2448**

Dear Sir/Madam:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **TENNESSEE GAS PIPELINE COMPANY, L.L.C. (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Courtney Tolbert at 225-219-3347 or courtney.tolbert@la.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Celena J. Cage".

Celena J. Cage
Administrator
Enforcement Division

CJC/CJT/cjt
Alt ID No. 2240-00009
Attachment



c: Tennessee Gas Pipeline, L.L.C.
c/o Phil Buras, Area Operations Supervisor
26166 Louisiana Highway 23 South
Port Sulphur, LA 70083

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF

TENNESSEE GAS PIPELINE
COMPANY, L.L.C.
PLAQUEMINES PARISH
ALT ID NO. 2240-00009

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

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ENFORCEMENT TRACKING NO.

AE-CN-21-00143

AGENCY INTEREST NO.

2448

CONSOLIDATED

COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **TENNESSEE GAS PIPELINE COMPANY, L.L.C. (RESPONDENT)** 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 particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates Compressor Station 527, a natural gas compressor station, located at 26166 Louisiana Highway 23 South in Port Sulphur, Plaquemines Parish, Louisiana. The facility operates or has operated under the following Title V Air and Prevention of Significant Deterioration (PSD) Permits:

PERMIT	ISSUE DATE	PERMIT EXPIRATION DATE
PSD-LA-725	6/16/2009	-
2240-00009-V4	2/24/2016	2/24/2021
2240-00009-V5	9/15/2020	2/24/2021
2240-00009-V6	4/8/2021	4/8/2026

II.

On or about September 10, 2019; November 13, 2020; and April 22, 2021, inspections and a subsequent file review of the facility were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. While the Department's investigation is not complete, the following violations were noted during the course of the inspections and subsequent file review:

- A. The Respondent failed to submit permit applications prior to construction and failed to include all emission sources in the facility's Title V Permit. Specifically, during the September 10, 2019 inspection, there were two (2) Cummins CFP59-F40 backup generators for fire pumps onsite that were not permitted. In email correspondence dated October 21, 2019, the Respondent's representative revealed that construction of the emission sources EQT 0022 and EQT 0023 began on April 26, 2010, and the in-service date for these engines was September 17, 2010. On or about December 19, 2019, the Respondent submitted Regulatory Permit Notifications for Stationary Internal Combustion Engines (EQT 0022 and EQT 0023) to the Department. On January 7, 2020, the Department issued Regulatory Permits for the engines. EQT 0022 and EQT0023 were included as emission sources in Title V Air Permit No. 2240-0009-V6 issued on April 8, 2021. Each failure to submit a permit application prior to construction, reconstruction, or modification is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2). The unauthorized operation of EQT 0022 and EQT 0023 for approximately ten (10) years is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). In email correspondence dated May 21, 2021, the Respondent provided records of maintenance hours on EQT 0022 and EQT 0023 beginning in April of 2013. In email correspondence dated June 4, 2021, the Respondent provided the maintenance plan and maintenance records for the last five (5) years indicating that maintenance was being conducted according to the plan even though EQT 0022 and EQT 0023 were not permitted.
- B. On or about November 13, 2020, the Department investigated a self-reported release (Incident No. T199812) from the facility. According to the Respondent's Unauthorized Discharge Report dated November 19, 2020, the facility experienced a natural gas release on November 13, 2020. Reportedly, the facility's emergency shutdown device (ESD) was activated during a routine fire detection system test, which isolated the pipeline and vented the remaining natural

gas in the station yard pipelines to the atmosphere. The Respondent reported that approximately 1,514.9 Mcf (one thousand cubic feet) of natural gas was released as a result of this incident, exceeding the Reportable Quantity. The Respondent's incident investigation revealed that this release was preventable. Specifically, the ESD activation was caused by the failure to switch the Station Protection Panel (SPP) in the Consolidated Control Building to bypass mode during the test. In order to prevent the ESD from being triggered, the SPP, in addition to the Building Protection Panel (BPP), must be in bypass mode. The fire detection system testing procedure was deemed deficient because it only required switching the BPP to bypass mode, and did not specify the need to check that the SPP is also in bypass mode prior to performing the test. The failure to diligently maintain in proper working order control equipment including any device or contrivance, operating procedure, or abatement scheme used to prevent or reduce air pollution, is a violation of LAC 33:III.905.A and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). As a corrective action, the Respondent updated the fire detection system testing procedure and notified station personnel of the update.

C. The Respondent reported the following violations from the FL-1A Facility Flare (EQT 0009) operating parameters:

	REPORT (date)	INCIDENT DATE (duration)	OPERATING PARAMETER	REPORTED CAUSE	CORRECTIVE ACTION(S)	REGULATORY or PERMIT REQUIREMENTS
1.	Revised 2019 Title V 1 st Semiannual Monitoring Report (3/27/2020)	3/24/2019 (20 min)	Operate at all times when emissions may be vented to the flare. Subpart A.	The flare was not operational during quarterly maintenance, but flare gas was still being routed to the flare and being released.	The procedure for flare maintenance was revised in 2020 where the flare can remain operational during quarterly maintenance/inspections of the flare.	Specific Requirement 9 40 CFR 60.18(e) LAC 33:III.3003
2.	Revised 2019 Title V 1 st Semiannual Monitoring Report (3/27/2020)	5/5/2019 (21 min)	Operate at all times when emissions may be vented to the flare. Subpart A.	The flare was not operational during quarterly maintenance, but flare gas was still being routed to the flare and being released.	The procedure for flare maintenance was revised in 2020 where the flare can remain operational during quarterly maintenance/inspections of the flare.	Specific Requirement 9 40 CFR 60.18(e) LAC 33:III.3003

	REPORT (date)	INCIDENT DATE (duration)	OPERATING PARAMETER	REPORTED CAUSE	CORRECTIVE ACTION(S)	REGULATORY or PERMIT REQUIREMENTS
3.	Revised 2019 Title V 1 st Semiannual Monitoring Report (3/27/2020)	1/1/2019- 3/25/2020	Maintain the presence of a flame at the flare tip when the flare gas is routed to the flare. The presence of the flame shall be monitored continuously. Records of the presence of the flame shall be maintained on site and available for inspection.	The facility does not have records of the continuous presence of the flare flame.	The flame is continuously monitored by thermocouples and is equipped with an auto igniter. The system has an alarm that alerts the operator when the flame goes out. However, the alarms are cleared after the issue has been fixed, therefore, there are no records that can be produced. Per correspondence dated April 22, 2021, the Respondent installed and activated a continuous temperature monitor on March 25, 2020.	Specific Requirement No. 19 LAC 33:III.509 (PSD-LA-725)
4.	2020 Title V 1 st Semiannual Monitoring Report (9/28/2020)	2/22/2020 (5 min)	Operate with a flame present at all times, as determined by the methods specified in 40 CFR 60.18(f)(2). Subpart A and operate at all times when emissions may be vented to the flare. Subpart A.	Pilot went out. Alarm was not appropriately setup.	It was found that the timer on the Pilot flame alarm was set at 10 minutes-this was adjusted to one (1) minute and Enabled Alarms in the Programmable Logic Controller (PLC). During quarterly maintenance, the time limit on the horns was reset.	Specific Requirement Nos. 6 and 9 40 CFR 60.18(c)(2) 40 CFR 60.18(e) LAC 33:III.3003
5.		2/22/2020 (5 min)	Operate with a flame present at all times, as determined by the methods specified in 40 CFR 60.18(f)(2). Subpart A and operate at all times when emissions may be vented to the flare. Subpart A.	Pilot went out.	Alarms were received on the Human-machine interface (HMI) and horns worked due to the pilot flame going out.	Specific Requirement Nos. 6 and 9 40 CFR 60.18(c)(2) 40 CFR 60.18(e) LAC 33:III.3003
6.		2/27/2020 (4 min)		Pilot went out due to Flare pilot gas supply being frozen.	The regulator was thawed out.	
7.	2020 Title V 1 st Semiannual Monitoring Report (9/28/2020)	4/21/2020 (183 min)		The cable for #1 pilot flame broke, and the flame was out while the cable was being replaced.	Cable was replaced, and pilot flame was re-lit.	
8.		4/22/2020- 4/23/2020 (143 min)		The wind blew out the pilot flame. Re-lit by self-igniter.	Self-igniter worked as planned and re-lit the pilot. The pressure settings on the regulator were checked.	
9.	2020 Title V 1 st Semiannual Monitoring Report (9/28/2020)	4/28/2020 4/29/2020 (450 min)	Operate with a flame present at all times, as determined by the methods specified in 40 CFR 60.18(f)(2). Subpart A and operate at all times when emissions may be vented to the flare. Subpart A.	Flare outage caused by wind and came back on its own.	Reset pressure regulator.	Specific Requirement Nos. 6 and 9 40 CFR 60.18(c)(2) 40 CFR 60.18(e) LAC 33:III.3003
10.		5/5/2020 (308 min)		Pilot flame went out caused by wind.	Regulator was rebuilt.	
11.	2020 Title V 1 st Semiannual Monitoring Report (9/28/2020)	5/15/2020 (242 min)			The pilots were replaced.	

Each failure to operate EQT 0009 according to permitted requirements is a violation of the associated requirements listed above, Title V Air Permit No. 2240-00009-V4, LAC 33:III.501.C.4, and La R.S. 30:2057(A)(2).

D. The Respondent failed to conduct the initial performance tests on two (2) Cummins CFP59-F40 backup generators for fire pumps 527-AUX-05 and 527-AUX-06 (EQT 0022 and EQT 0023) within 180 days after initial startup. In electronic correspondence dated October 21, 2019, the Respondent's representative stated EQT 0022 and EQT 0023 began operating on or about September 17, 2010. The initial performance tests of engines EQT 0022 and EQT 0023 were conducted on May 19, 2020, approximately nine (9) years and two (2) months late. Each failure to timely conduct an initial performance test is a violation of 40 CFR 60.4211(b)(5) which language is adopted as a Louisiana regulation in LAC 33:III.3003, and La R.S. 30:2057(A)(2). On or about July 10, 2020, the Respondent submitted the Initial Performance test results for EQT 0022 and EQT 0023 that were performed on May 19, 2020. The results revealed EQT 0022 and EQT 0023 were operating below the emission limits of 40 CFR 60 Subpart III.

COMPLIANCE ORDER

Based on the foregoing, the Respondent is **hereby ordered**:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Air Quality Regulations.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: Courtney Tolbert
Re: Enforcement Tracking No. AE-CN-21-00143
Agency Interest No. 2448

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-21-00143
Agency Interest No. 2448

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Division of Administrative Law (DAL) Procedural Rules. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from

contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

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 Courtney Tolbert at 225-219-3347 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 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 violation(s) 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 that 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.

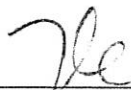
IV.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY** portion, 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 "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" 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.

V.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 18 day of July, 2021.



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Courtney Tolbert



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

ENFORCEMENT DIVISION

CONSOLIDATED COMPLIANCE ORDER &

POST OFFICE BOX 4312

NOTICE OF POTENTIAL PENALTY

BATON ROUGE, LOUISIANA 70821-4312

REQUEST TO CLOSE

Enforcement Tracking No.	AE-CN-21-00143	Contact Name	Courtney Tolbert
Agency Interest (AI) No.	2448	Contact Phone No.	225-219-3347
Alternate ID No.	2240-00009		
Respondent:	Tennessee Gas Pipeline Company, L.L.C.	Facility Name:	Compressor Station 527
	c/o Capitol Corporate Services, Inc Agent for Service of Process	Physical Location:	26166 Louisiana Highway 23 South
	8550 United Plaza Building II, Suite 305	City, State, Zip:	Port Sulphur, LA 70083
	Baton Rouge, LA 70809	Parish:	Plaquemines

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph II of the "Order" portion of the COMPLIANCE ORDER.		
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:		

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

_____	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.
_____	In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY AE-CN-21-00143, the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
_____	In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY AE-CN-21-00143, 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.
	The Respondent has reviewed the violations noted in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY AE-CN-21-00143 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: Courtney Tolbert		

SETTLEMENT AGREEMENTS

WHAT IS A SETTLEMENT AGREEMENT?

Once the Department has determined that a penalty is warranted for a violation, the Assistant Secretary of the Department, with the concurrence of the Attorney General, may enter into a settlement agreement with the Respondent as a means to resolve the Department's claim for a penalty.

HOW DOES THE SETTLEMENT AGREEMENT PROCESS WORK?

To begin the settlement agreement process, the Department must receive a written settlement offer. Once this offer is submitted, it is sent for approval by the Assistant Secretary of the Office of Environmental Compliance. The formal Settlement Agreement is drafted and sent to the Attorney General's office where the Attorney General has a 90 day concurrence period. During this time, the Respondent is required to run a public notice in an official journal and/or newspaper of general circulation in each affected parish. After which, a 45 day public comment period is opened to allow the public to submit comments. Once the Department has received concurrence, the settlement agreement is signed by both parties. The Department then forwards a letter to the responsible party to establish a payment plan and/or beneficial environmental project (BEP).

WHAT SHOULD I INCLUDE IN A SETTLEMENT AGREEMENT?

The Department uses the penalty determination method defined in LAC 33:1.705 as a guideline to accepting settlement offers. The penalty matrix is used to determine a penalty range for each violation based on the two violation specific factors, the nature and gravity of the violation and the degree of risk/impact to human health and property.

DEGREE OF RISK OR IMPACT TO HUMAN HEALTH OR PROPERTY	NATURE AND GRAVITY OF THE VIOLATION			
		MAJOR	MODERATE	MINOR
	MAJOR	\$32,500 to \$20,000	\$20,000 to \$15,000	\$15,000 to \$11,000
	MODERATE	\$11,000 to \$8,000	\$8,000 to \$5,000	\$5,000 to \$3,000
	MINOR	\$3,000 to \$1,500	\$1,500 to \$500	\$500 to \$100

Degree of Risk to Human Health or Property

Major: (actual measurable harm or substantial risk of harm) A violation of major impact to an environmental resource or a hazard characterized by high volume and/or frequent occurrence and/or high pollutant concentration.

Moderate: (potential for measurable detrimental impact) A violation of moderate impact and hazard may be one characterized by occasional occurrence and/or pollutant concentration that may be expected to have a detrimental effect under certain conditions

Minor: (no harm or risk of harm) A violation of minor impact are isolated single incidences and that cause no measurable detrimental effect or are administrative in nature.

Nature and Gravity of the Violation

Major: Violations of statutes, regulations, orders, permit limits, or permit requirements that result in negating the intent of the requirement to such an extent that little or no implementation of requirements occurred.

Moderate: Violations that result in substantially negating the intent of the requirements, but some implementation of the requirements occurred.

Minor: Violations that result in some deviation from the intent of the requirement; however, substantial implementation is demonstrated.

The range is adjusted using the following violator specific factors:

1. history of previous violations or repeated noncompliance;
2. gross revenues generated by the respondent;
3. degree of culpability, recalcitrance, defiance, or indifference to regulations or orders;
4. whether the Respondent has failed to mitigate or to make a reasonable attempt to mitigate the damages caused by the violation; and
5. whether the violation and the surrounding circumstances were immediately reported to the department, and whether the violation was concealed or there was an attempt to conceal by the Respondent.



SETTLEMENT AGREEMENTS

Given the previous information, the following formula is used to obtain a penalty amount.

$$\text{Penalty Event Total} = \text{Penalty Event Minimum} + (\text{Adjustment Percentage} \times [\text{Penalty Event Maximum} - \text{Penalty Event Minimum}])$$

After this, the Department adds any monetary benefit of noncompliance to the penalty event. In the event that a monetary benefit is gained due to the delay of a cost that is ultimately paid, the Department adds the applicable judicial interest. Finally, the Department adds all response costs including, but not limited to, the cost of conducting inspections, and the staff time devoted to the preparation of reports and issuing enforcement actions.

WHAT IS A BEP?

A BEP is a project that provides for environmental mitigation which the respondent is not otherwise legally required to perform, but which the defendant/respondent agrees to undertake as a component of the settlement agreement.

Project categories for BEPs include public health, pollution prevention, pollution reduction, environmental restoration and protection, assessments and audits, environmental compliance promotion, and emergency planning, preparedness and response. Other projects may be considered if the Department determines that these projects have environmental merit and is otherwise fully consistent with the intent of the BEP regulations.

WHAT HAPPENS IF MY OFFER IS REJECTED?

If an offer is rejected by the Assistant Secretary, the Legal Division will contact the responsible party, or anyone designated as an appropriate contact in the settlement offer, to discuss any discrepancies.

WHERE CAN I FIND EXAMPLES AND MORE INFORMATION?

Settlement Offers	searchable in EDMS using the following filters Media: Air Quality, Function: Enforcement; Description: Settlement
Settlement Agreements	Enforcement Division's website specific examples can be provided upon request
Penalty Determination Method	LAC 33.I Chapter 7
Beneficial Environmental Projects	LAC 33.I Chapter 25
Judicial Interest.....	FAQs provided by the Louisiana State Bar Association

