

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	Settlement Tracking No.
	*	SA-AE-24-0038
ENTERPRISE GAS PROCESSING, LLC	*	
	*	Enforcement Tracking No.
AI # 43501	*	AE-CN-20-00558
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, <u>ET SEQ.</u>	*	

SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Enterprise Gas Processing, 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 a cryogenic natural gas processing facility located in Centerville, St. Mary Parish, Louisiana (“the Facility”).

II

On September 12, 2022, the Department issued to Respondent a Consolidated Compliance Order & Notice of Penalty, Enforcement Tracking No. AE-CN-20-00558 (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 FORTY-EIGHT THOUSAND EIGHT HUNDRED NINETY-SIX AND NO/100 DOLLARS (\$48,896.00), of which One Thousand Three Hundred Seventy-Two and 99/100 Dollars (\$1,372.99) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement 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 Agreement 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 Settlement 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 Settlement Agreement in any action by the Department to enforce this Settlement Agreement.

VII

This Settlement Agreement 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 Agreement, 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. Mary Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement 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 Agreement 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 thirty (30) days from notice of the Secretary's signature. If payment is not received within that time, this Settlement Agreement is voidable at the option of the Department. The Respondent shall provide its tax identification number when submitting payment. 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 attached hereto.

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement Agreement.

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.

ENTERPRISE GAS PROCESSING, 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
Aurelia S. Giacometto, Secretary

BY: _____
Jerrie "Jerry" Lang, 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:  _____
Jerrie "Jerry" Lang, Assistant Secretary

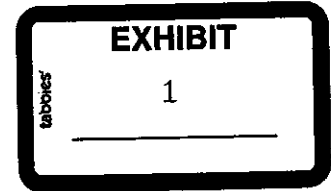


JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

SEP 12 2022



CERTIFIED MAIL (7019 2280 0000 4381 3686)
RETURN RECEIPT REQUESTED

ENTERPRISE GAS PROCESSING, LLC
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Drive
Baton Rouge, LA 70816

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-20-00558
AGENCY INTEREST NO. 43501**

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 **ENTERPRISE GAS PROCESSING, LLC (RESPONDENT)** for the violation(s) described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violation(s) 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 Gabrielle Green at (225) 219-3468 or Gabrielle.Green2@la.gov.

Sincerely,

Angela Marse
Administrator
Enforcement Division

AM/GJG/gjg
Alt ID No. 2660-00210
Attachment

**c: Enterprise Gas Processing, LLC
c/o Penny Houy
1100 Louisiana Street
Houston, TX 77002**

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

<p>IN THE MATTER OF</p> <p>ENTERPRISE GAS PROCESSING, LLC ST. MARY PARISH ALT ID NO. 2660-00210</p> <p>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</p>	<p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p>	<p>ENFORCEMENT TRACKING NO.</p> <p style="text-align: center;">AE-CN-20-00558</p> <p>AGENCY INTEREST NO.</p> <p style="text-align: center;">43501</p>
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CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **ENTERPRISE GAS PROCESSING, LLC (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 the **NEPTUNE GAS PLANT**, a cryogenic natural gas processing facility, located at 120 Trunkline Road in Centerville, St. Mary Parish, Louisiana. The facility operates or has operated under the authority of the following Title V Air Permits:

Permit No.	Issued	Expires
2660-00210-V9	March 1, 2018	March 1, 2023
2660-00210-V8	February 20, 2015	April 3, 2018

II.

On or about June 18-19, 2019, and May 26, 2020, inspections of the facility were conducted to determine the degree of compliance with the Act, Air Quality Regulations, and all applicable permits. The facility is subject to Program Level 3 requirements under 40 CFR Part 68. While the investigation by the

Department is not yet complete, the following violations were noted during the course of the inspections and subsequent file review conducted on September 9, 2022:

- A. The Respondent failed to assure that the recommendations from the 2013 Process Hazard Analysis (PHA) were resolved in a timely manner. Specifically, three (3) recommendations listed in Table A below were included in the 2013 PHA and were completed after the due date.

Recommendation	Due Date	Actual Date
1. Recommendation 1	September 30, 2014	November 21, 2014
2. Recommendation 2	July 31, 2014	September 19, 2014
3. Recommendation 5	September 30, 2014	November 21, 2014

Each failure to resolve recommendations from the 2013 PHA in a timely manner is a violation of 40 CFR 68.67(e), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2).

- B. The Respondent failed to ensure that the frequency of inspections and tests of process equipment is consistent with applicable manufacturer's recommendations and good engineering practices. Specifically, the inspections and tests listed in Table B below were not completed within established frequencies:

Inspection/Testing	Frequency	Standard	Last Date
1. V-0004 Train 1 Demethanizer Internal Inspection	Once every 10 years	API 510	2010 June 2018
2. E-0005A Brazed Aluminum Heat Exchanger External Visual Inspection	Once every 5 years	API 510	2005 2010 2015 March 2017
3. V-0014 Train 2 Flash Economizer External Visual Inspection	Once every 5 years	API 510	May 10, 2012 March 25, 2017
4. Piping System-P2-0005B (Pre-2018 Circuit Name 011L) External Visual Inspection	Once every 5 years	API 570 Class I Piping	May 2009 May 2014 April 12, 2017
5. Piping System-P2-0005B (Pre-2018 Circuit Name 011L) Thickness Test	Once every 5 years	API 570 Class I Piping	May 2004 May 2009 May 2014 April 7, 2017

6.	System-P2-P0003A (Pre-2018 Circuit Names 003A/003C)	External Visual Inspection	Once every 5 years	API 570 Class I Piping	April 2009	March 27, 2017
7.	System-P2-P0003A (Pre-2018 Circuit Names 003A/003C)	Thickness Test	Once every 5 years	API 570 Class I Piping	April 2009 April 2014	March 27, 2017
8.	System-P1-P001B (Pre-Circuit Name 002A)	Thickness Test	Once every 5 years	API 570 Class I Piping	December 2017	May 28, 2018
9.	Inlet Gas Heater Instrument 02TT-0406	Function Test	Annual	Instrumentation Integrity Procedures	June 2018	November 29, 2018
10.	Gas/Gas Exchanger Instrument 02TT-0903	Function Test	Annual	Instrumentation Integrity Procedures	June 2018	November 29, 2018
11.	Gas/Gas Exchanger Instrument 02TT-0907	Function Test	Annual	Instrumentation Integrity Procedures	June 2018	November 29, 2018
12.	Stripping Gas Separator High Level Shutdown 02LT-1403HL	Function Test	Annual	Instrumentation Integrity Procedures	April 2017	June 27, 2019
13.	Stripping Gas Separator Low Level Shutdown 02LT-1403LL	Function Test	Annual	Instrumentation Integrity Procedures	April 2017	June 27, 2019
14.	Stripping Gas Compressor Instrument 02TI-6014	Function Test	Annual	Instrumentation Integrity Procedures	April 2017	December 28, 2018
15.	Stripping Gas Compressor Instrument 02VAH-6001	Function Test	Annual	Instrumentation Integrity Procedures	April 2017	December 28, 2018
16.	Stripping Gas Compressor Instrument 02VT-6000	Function Test	Annual	Instrumentation Integrity Procedures	April 2017	December 28, 2018
17.	Stripping Gas Compressor Instrument 02-LSSL-6000	Function Test	Annual	Instrumentation Integrity Procedures	April 2017	December 28, 2018
18.	Heat Medium Surge Tank Instrument 02LT-3003	Function Test	Annual	Instrumentation Integrity Procedures	June 2018	June 27, 2019
19.	Fuel Gas Scrubber Train 2 Instrument 02-LT-3201	Function Test	Annual	Instrumentation Integrity Procedures	June 2018	June 27, 2019
20.	Flare Header Instrument TALL-3502	Function Test	Annual	Instrumentation Integrity Procedures	June 2018	June 27, 2019
21.	Flare Knockdown Drum Instrument 02LT-3405HL	Function Test	Annual	Instrumentation Integrity Procedures	June 2018	June 27, 2019
22.	Flare Knockdown Instrument 02LT-3405LL	Function Test	Annual	Instrumentation Integrity Procedures	June 2018	June 27, 2019

Each failure to ensure that the frequency of inspection and tests of process equipment is consistent with applicable manufacturer's recommendations and good engineering practices is a violation of 40 CFR 68.73(d)(3), which language has been adopted as a

Louisiana regulation in LAC 33:III.5901.A, Specific Requirement No. 136 of Title V Air Permit No. 2660-00210-V8, Specific Requirement No. 137 of Title V Air Permit No. 2660-00210-V9, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- C. In the 2019 Title V Second Semiannual Monitoring Report dated March 18, 2020, the Respondent reported the failure to perform the required performance testing on Stabilizer Compressor Engine 032 (EQT0044) and Stabilizer Compressor Engine 033 (EQT0045), as required by 40 CFR 60.4243(b)(2). Specifically, the Respondent was to conduct performance testing on EQT0044 and EQT0045 every 8,760 hours or three (3) years, whichever comes first. Performance testing for EQT0044 was due on May 22, 2019, and EQT0045 was due on April 17, 2019; however, performance testing for both was not completed until December 4, 2019. The failure to perform the required performance testing every 8,760 hour or three (3) years, whichever comes first, is a violation of 40 CFR 60.4243(b)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Specific Requirement No. 37 of Title V Air Permit No. 2660-00210-V9, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In correspondence dated December 13, 2019, the Respondent provided the Department with the performance test reports for EQT0044 and EQT0045. In correspondence dated December 3, 2020, the Respondent stated that the facility has initiated a program to track the runtime hours for the Stabilizer Compressor Engines to ensure the regulatory compliance timeframes are not exceeded since the previous test.
- D. In the 2020 Title V First Semiannual Monitoring Report dated September 23, 2020, the Respondent reported that on May 12, 2020, a tubing failure on a refrigeration compressor unit caused approximately 115.5 pounds (lbs.) of propane to be released, which is 15.5 lbs. above the reportable quantity as stated in LAC 33:I.3931. Additionally, the Respondent reported that the cause of the tubing failure was under investigation. The Respondent did not submit updates every sixty (60) days until the investigation was complete; nor were the results of the investigation submitted to the Department. The failure to submit updates every sixty (60) days about the status of the ongoing investigation of an unauthorized discharge until the investigation was completed and the results of the investigation were submitted is a violation of LAC 33:I.3925.A.3 and La. R.S. 30:2057(A)(2).

- E. In the 2020 Title V Second Semiannual Monitoring Report dated March 22, 2021, and Single Point of Contact (SPOC) Written Follow-Up Letter dated October 7, 2020, the Respondent reported that on October 5, 2020, the facility experienced an unexpected communication failure on 030 – Plant Flare (EQT0042) blower speed controller while the stabilizer scrubbers were venting to the process flare. Specifically, the flare blowers' speed failed to increase as programmed and could not be increased manually and the flare experienced opacity greater than twenty (20) percent for ten (10) minutes. The failure to design and operate for no visible emissions, as determined using Test Method 22 in Appendix A of 40 CFR 60, except for periods not to exceed a total of five (5) minutes during any two (2) consecutive hours is a violation of 40 CFR 63.11(b)(4), which language has been adopted as a Louisiana regulation in LAC 33:III.5122, Specific Requirement No. 61 of title V Air Permit No. 2660-00210-V9, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- F. In the Revised 2021 Title V Second Semiannual Monitoring Report dated May 9, 2022, the Respondent reported the failure to conduct initial Method 21 for 008 – Fugitive Emissions (FUG0002). Specifically, on or about March 2, 2022, the Respondent discovered that initial Method 21 inspections on fourteen (14) closed vent system components, which were installed at the facility in February of 2018, were not monitored as required by 40 CFR 60.482-10(f)(1)(i), from March 16, 2018 to March 10, 2022. The Respondent stated that errors in the third party leak detection and repair (LDAR) contractor's software resulted in the failure to comply with the monitoring requirement; however, the annual olfactory, visual, auditory monitoring was conducted on the components every year after installation in February 2018. The failure to conduct an initial inspection within one hundred and eighty (180) days from initial startup according to the procedures in 40 CFR 60.485(b) is a violation of 40 CFR 60.632(a) and 40 CFR 60.482-10(f)(1)(i), whose language has been adopted as a Louisiana regulation in LAC 33:III.3003, Specific Requirement No. 99 of Title V Air Permit No. 2660-00210-V9, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

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 Act, the Air Quality Regulations, and all applicable permits.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, the updated unauthorized discharge report, including the root cause, and the Title V Air Permit No. 2660-00210-V9 emission source identifier (EQT) of the refrigeration compressor unit, as referenced in Paragraph II.D of the **FINDINGS OF FACT** portion of this action.

III.

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 violation(s) 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: **Gabrielle Green**
Re: **Enforcement Tracking No. AE-CN-20-00558**
Agency Interest No. 43501

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-20-00558**
Agency Interest No. 43501

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 Gabrielle Green at (225) 219-3468 or Gabrielle.Green2@la.gov 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.

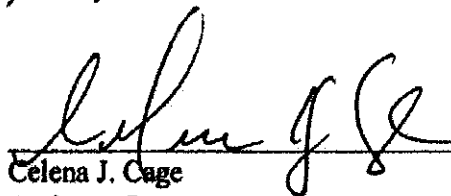
The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY** portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may

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 may submit the settlement offer within one hundred and eighty (180) days of receipt of this NOTICE OF POTENTIAL PENALTY portion but no later than ninety (90) days of achieving compliance with the COMPLIANCE ORDER portion. 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 12th day of September, 2022.



Celena J. Cage
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: Gabrielle Green



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION
 POST OFFICE BOX 4312
 BATON ROUGE, LOUISIANA 70821-4312

CONSOLIDATED COMPLIANCE ORDER &
 NOTICE OF POTENTIAL PENALTY
 REQUEST TO CLOSE

Enforcement Tracking No.	AE-CN-20-00558	Contact Name	Gabrielle Green
Agency Interest (AI) No.	43501	Contact Phone No.	(225) 219-3468
Alternate ID No.	2660-00210		
Respondent:	Enterprise Gas Processing, LLC	Facility Name:	Neptune Gas Plant
	c/o C T Corporation System	Physical Location:	120 Trunkline Road
	Agent for Service of Process		
	3867 Plaza Tower Drive	City, State, Zip:	Centerville, LA 70522
	Baton Rouge, LA 70816	Parish:	St. Mary

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph III of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER 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)

<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.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-20-00558), 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 CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-20-00558), 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. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this NOTICE OF POTENTIAL PENALTY portion but no later than ninety (90) days of achieving compliance with the COMPLIANCE ORDER portion. <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 CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-20-00558) 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: Gabrielle Green		

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.

NATURE AND GRAVITY OF THE VIOLATION				
	MAJOR	MODERATE	MINOR	
DEGREE OF RISK TO HUMAN HEALTH OR PROPERTY	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.



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 <u>EDMS</u> using the following filters Media: Air Quality, Function: Enforcement; Description: Settlement
Settlement Agreements	<u>Enforcement Division's website</u> specific examples can be provided upon request
Penalty Determination Method	<u>LAC 33:1 Chapter 7</u>
Beneficial Environmental Projects	<u>LAC 33:1 Chapter 25</u>
Judicial Interest.....	<u>FAQs</u> provided by the Louisiana State Bar Association

