

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

PLAINS PIPELINE, L.P.

AI # 102675, 32982, 102676, 102646

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

* **Settlement Tracking No.**
* **SA-AE-24-0004**
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* **Enforcement Tracking No.**
* **AE-PP-16-00412**
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Plains Pipeline, L.P. (“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 partnership that owned and/or operated facilities located in Concordia Parish and Tensas Parish, Louisiana (“the Facility”).

II

On October 20, 2016, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-16-00412 (Exhibit 1), identifying violations which are the subject of this settlement.

Additionally, the following violations, although not cited in the foregoing enforcement action, are also included within the scope of this settlement:

Additional Disclosed Violations for AI # 32982; Lake St. John Facility

- A. The Respondent became the owner/operator of the facility in the early 2000's; however, a NOC-1 was incorrectly submitted for the facility on December 20, 2002, which resulted in the facility being transferred to Plains Marketing, L.P. On December 9, 2015, the Respondent submitted a NOC-1 to the Department to change the owner to Plains Pipeline, L.P. Failure to submit the NOC-1 and associated documentation to the Department within forty-five (45) days after a change in ownership of a permitted facility is a violation of LAC 33:I.1907.B, LAC 33:III.517.G and La. R.S.30:2057 (A)(2).
- B. The Respondent became the owner/operator in the early 2000's; however, a NOC-1 was incorrectly submitted for the facility on December 20, 2002, which resulted in the transfer of the facility's minor source air permit 2860-00013-01 to Plains Marketing, L.P. On December 9, 2015, the Respondent submitted a NOC-1 to the Department to change the owner to Plains Pipeline, L.P. The air permit was transferred to the Respondent on January 29, 2016. The unauthorized operation of the facility from the date the facility was acquired until the permit was transferred is a violation of LAC 33:III.501.C.2 and La. R.S.30:2057(A)(1) and La. R.S.30:2057(A)(2).

Additional Disclosed Violations for AI # 102676; Float Bayou Station

Prior to January 29, 2016, Plains Marketing, L.P. was the owner/operator and permittee for the Float Bayou Station facility (Agency Interest No. 102676). A NOC-1 was submitted to the Department on or about December 9, 2015, to change ownership of the facility from Plains Marketing, L.P. to Plains Pipeline, L.P. Air Permit No. 0640-00020-00 was transferred on January 29, 2016, to Plains Pipeline, L.P. This NOC-1 was later determined to be an administrative error; therefore, the permit transfer was also an error. On August 2, 2018, a NOC-1 was submitted to the

Department to change the owner back to Plains Marketing, L.P., who was always the owner/operator of the facility. Air Permit No. 0640-00020-00 was transferred back to the Plains Marketing, L.P. on August 31, 2018. The unauthorized operation of the facility from January 26, 2016 to August 31, 2018, is a violation of LAC 33:III.501.C.2 and La. R.S.30:2057(A)(1) and La. R.S.30:2057(A)(2).

Additional Disclosed Violations for AI # 102646; Ross Bayou Station

Air Permit No. 0640-00019-00 for Ross Bayou Station (Agency Interest No. 102646) was rescinded on September, 23, 2015. The rescission letter was addressed to Plains Marketing, L.P. This facility is and was owned by Plains Pipeline, L.P. as indicated in a Correction Letter for Permit Transfer issued on August 31, 2018. The facility was no longer required to have a permit; however, records were updated to reflect the change from Plains Marketing, L.P., to Plains Pipeline, L.P.

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 FIVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$5,500.00), of which Eight Hundred Ninety-One and 61/100 Dollars (\$891.61) represents the Department's enforcement costs, in settlement of the claims of violations set forth in Paragraph II of 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 permit record(s), the 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 Concordia Parish and Tensas 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. 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.

PLAINS PIPELINE, L.P.

BY: _____
(Signature)

(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

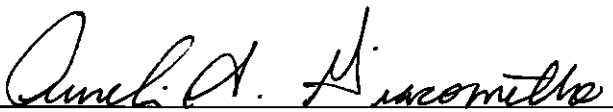
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

BY: _____
Aurelia S. Giacometto, Secretary

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

Approved: 
Aurelia S. Giacometto, Secretary

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

October 20, 2016

CERTIFIED MAIL (7004 2510 0006 3852 8083)
RETURN RECEIPT REQUESTED

PLAINS PIPELINE, L. P.
c/o Corporation Service Company
Agent for Service of Process
501 Louisiana Avenue
Baton Rouge, LA 70802



**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-16-00412
AGENCY INTEREST NO. 102675**

Dear Sir/Madam:

On or about June 30, 2016, a file review of **CANEBRAKE STATION** (the facility), owned and/or operated by **PLAINS PIPELINE, L.P. (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at Louisiana Highway 901, 2.5 miles north of Ferriday in Concordia Parish, Louisiana. The facility operates under Minor Source Air Permit 0640-00017-01 issued on June 7, 2016.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the file review:

- A. The Respondent became the owner and/or operator of the aforementioned facility on January 15, 2004. A Notification of Change Form (NOC-1) was submitted to the Department on or about January 21, 2016. The failure to submit the NOC-1 and associated documentation to the Department within forty-five (45) days after a change in ownership of a permitted facility is a violation of LAC 33:I.1907.B; LAC 33:III.517.G; and La. R.S. 30:2057(A)(2).
- B. The Respondent operated the facility without a permit from January 15, 2004 through April 26, 2016. The unauthorized operation of the facility from the date of acquisition until the permit was transferred is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

Notice of Potential Penalty
Plains Pipeline, L.P.
Page 2

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Dr. Jacqueline Prudente at (225) 219-3378 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

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.

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.

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.

Sincerely,



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

LI/JAP/jap
Alt ID No. 0640-00017

c: Plains Pipeline, L.P.
c/o Mark J. Gorman
333 Clay Street, Suite 1600
Houston, TX 77002