STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-14-0074**
ENABLE MIDSTREAM PARTNERS, LP	*	
	*	**Enforcement Tracking No.**
AI # 1225, 26799, 39922, 121323 and 166277	*	**AE-CN-08-0034**
	*	**AE-CN-08-0034A**
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	*	
	*	**Docket No. 2010-11774-EQ**
	*	

SETTLEMENT

The following Settlement is hereby agreed to between Enable Midstream Partners, LP ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act"). At the time the enforcement actions in this settlement occurred, the four facilities at issue (Sligo Natural Gas Plant (AI #1255), Foxskin Compressor Station (AI#39922), Goat Hill Compressor Station (AI#121323), and Clear Lake Plant (AI#166277), were owned and operated by CenterPoint Energy Field Services, Inc. Subsequently, a series of changes in business structures and the formation of a master limited partnership resulted in these four facilities now being owned and operated by Enable Midstream Partners, LP. The transition occurred as follows: CenterPoint Energy Field Services, Inc. became CenterPoint Energy Field Services, LLC, who became CenterPoint Energy Field Services, LP, who became Enable Midstream Partners, LP. The facility at West Unionville (AI#26799), formerly owned by CenterPoint Energy Mississippi River Transmission, LLC, is currently owned by Enable Mississippi River Transmission, LLC, a subsidiary of Enable Midstream Partners, LP. Enable Midstream Partners, LP is the current owner and responsible party for the formerly CenterPoint-owned facilities describe above which are subject to this settlement.

I

Respondent is a limited partnership that owns and/or operates natural gas facilities located in Bossier Parish (AI#s 1225, 39922, and 121323), Red River Parish (AI# 166277) and Lincoln Parish (AI# 26779) (collectively, "the Facilities").

II

On October 7, 2008, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-08-0034, which was based upon the following findings of fact:

"The Respondent owns and or operates Sligo Natural Gas Plant (the Facility), AI# 1225, a cryogenic dew point control natural gas facility, located at 630 Union Texas Road in Haughton, Bossier Parish, Louisiana. The facility operates under Title V Permit No. 0400-00006-V3, issued on or about January 9, 2008.

On or about February 22, 2008, a file review of the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violation was noted during the course of the file review:

> The Respondent reported, in correspondence dated December 18, 2007, an exceedance of Title V Permit No. 0400-00006-V2. A power failure on December 16, 2007 resulted in the shutdown of #5 compressor engine, EQT 0001. Plant operators, unable to restart the engine, removed the catalytic converter and put the engine back in service. The engine ran from 4:00 p.m. December 16, 2007 until 9:00 a.m. December 17, 2007 without the catalytic converter in place. The Respondent calculated that the engine emitted 0.23 tons of excess NO_x and

"minimal" tons of excess CO in the seventeen (17) hours of unrestricted operation. Operation of any source which emits or has the potential to emit air contaminants in excess of the permit limits is a violation of Specific Requirement 25 of Title V Permit No. 0400-00006-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

The Respondent owns and or operates West Unionville S-26 Compressor Station, (the Facility), AI# 26799, a natural gas compressor and dehydration station located two miles southeast of Dubach, Lincoln Parish, Louisiana. The facility currently operates under Small Source Permit No. 1720-00075-00, issued August 29, 1997.

On or about April 29, 2008, a file review of the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were noted during the course of the file review:

A. In correspondence dated on or about December 7, 2006, the Respondent submitted a request for Authorization to Construct (ATC) a replacement glycol dehydrator. The ATC was issued on or about January 19, 2007. A condition of the ATC was the requirement that the facility submit an application for a permit revision reflecting any emission reductions within one hundred eighty (180) days of the date of startup of the dehydrator. In correspondence dated on or about May 22, 2008, the Respondent 1) reported the dehydrator startup took place on or about February 16, 2007, and, 2) included an application to revise Small Source Permit No. 1720-00075-00. This notification was submitted four hundred sixty-one (461) days after startup. Failure to timely submit a permit revision is a violation of the conditions of the Authorization to Construct, LAC 33:III.501.C.1,

LAC 33:III.501.C.4, LAC 33:III.511.A and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

B. An ATC was issued on or about January 19, 2007 to replace a glycol dehydrator. In correspondence dated on or about May 22, 2008, the Respondent reported the dehydrator startup took place on or about February 16, 2007. The notification was submitted four hundred sixty-one (461) days after startup. Failure to notify the Department within ten (10) days of completion of construction and estimated date of startup is a violation of General Condition VI of the current permit, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

C. In correspondence dated on or about May 22, 2008, the Respondent reported the dehydrator startup took place on or about February 16, 2007. The dehydrator has operated during the period from that date until the date of this action without an approved permit. Operation of any source which emits or has the potential to emit air contaminants without an approved permit is a violation of LAC 33:III.501.C.2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2)."

III

On October 16, 2009, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-08-0034A, which was based upon the following findings of fact:

"The Department hereby amends Paragraphs I and II of the Findings of Fact to read as follows:

The Respondent owns and or operates Sligo Natural Gas Plant (the Facility), AI# 1225, a cryogenic dew point control natural gas facility, located at 630 Union Texas Road in Haughton, Bossier Parish, Louisiana. The facility currently operates under Title V Permit No. 0400-00006-

V3, issued on or about January 9, 2008. Title V Permit No. 0400-00006-V2 was the operating permit at the time of the inspection and cited violation.

On or about February 22, 2008, a file review of the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were noted during the course of the file review:

> The Respondent reported, in correspondence dated December 18, 2007, an exceedance of Title V Permit No. 0400-00006-V2. A power failure on December 16, 2007 resulted in the shutdown of #5 compressor engine, EQT 0001. Plant operators removed the catalytic converter and put the engine back in service. The engine ran from 4:00 p.m. December 16, 2007 until 9:00 a.m. December 17, 2007 without the catalytic converter in place. The Respondent calculated that the engine emitted 0.23 tons of excess NO_x and "minimal" tons of excess CO in the seventeen (17) hours of uncontrolled operation. The failure to use and diligently maintain any installed air pollution control device is a violation of LAC 33:III.501.C.4, LAC 33:III.905.A and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

The Department hereby deletes Paragraphs III and IV of the Findings of Fact in their entirety."

IV

The following violations, although not cited in an enforcement action, are included within the scope of this settlement.

Sligo Natural Gas Plant, AI# 1225:

In correspondence dated October 22, 2007, the Respondent reported that a Compliance Assurance Monitoring (CAM) Plan had not been implemented at the facility until on or about

October 22, 2007. The facility was required by Title V Permit No. 0400-00002-V2, issued on or about July 17, 2007, to develop and implement a CAM plan. The facility operated without a CAM plan from on or about July 17, 2007 until on or about October 22, 2007. The failure to develop and implement a CAM plan is a violation of Title V Permit No. 0400-00006-V2, LAC 33:III.501.C.4, and 30:2057(A)(2).

In correspondence dated December 2, 2010, the Respondent responded to Enforcement Action AE-CN-08-0034A, reporting that Heater EQT025 had been omitted from the original CAM plan implemented on or about October 22, 2007. Heater EQT025 was added to the CAM plan in a permit modification in March 2008. The failure to develop and implement a full and complete CAM plan is a violation of Title V Permit No. 0400-00006-V2, LAC 33:III.501.C.4, and 30:2057(A)(2).

In correspondence dated March 29, 2011, the Respondent submitted the facility 2010 Annual Compliance Certification for the period encompassing January 1, 2010 through December 31, 2010, reporting that 137 new valves were installed in November 2009 but omitted from the LDAR list. The valves were added to the LDAR list on or about March 19, 2010. The failure to operate with an accurate and complete LDAR plan is a violation of Title V Permit No. 0400-00006-V2, LAC 33:III.905.A, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

Foxskin Compressor Station, AI# 39922

In correspondence dated October 22, 2007, the Respondent reported that a CAM Plan had not been implemented at the facility until on or about October 22, 2007. The facility was required by Title V Permit No. 0400-00002-V5, issued on or about March 13, 2007, to develop and implement a CAM plan. The facility operated without a CAM plan from on or about March 13, 2007 until on or about October 22, 2007. The failure to develop and implement a CAM plan

is a violation of Title V Permit No. 0400-00002-V5, LAC 33:III.501.C.4, and 30:2057(A)(2).

In correspondence dated October 22, 2007, the Respondent reported that EQT014 and EQT024, natural gas fueled compressor engines, did not have gas pressure monitors installed, no inspections were conducted and no record keeping was conducted. Each failure to install, monitor, and record (exit) gas pressure on each engine, is a violation of Title V Permit No. 0400-00002-V5, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

In correspondence dated October 31, 2011, the Respondent clarified earlier incorrect 2007 First and Second Semiannual Monitoring Reports. The Respondent reported that Glycol Dehydrator No.1 (EQT002), and Glycol Dehydrator No. 2 (EQT005) did not have flame indicators installed. Each failure to install, monitor, and record (exit) gas pressure on each engine, is a violation of Title V Permit No. 0400-00002-V5, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

Goat Hill Compressor Station, AI# 121323

In correspondence dated October 15, 2007, the Respondent reported that a CAM Plan had not been implemented at the facility until on or about October 22, 2007. The facility was required by Title V Permit No. 0400-00131-V0, issued on or about March 21, 2006, to develop and implement a CAM plan. The facility operated without a CAM plan from on or about March 21, 2006 until on or about October 22, 2007. The failure to develop and implement a CAM plan is a violation of Title V Permit No. 0400-00002-V1, Title V Permit No. 0400-00002-V2, Title V Permit No. 0400-00002-V3, LAC 33:III.501.C.4, and 30:2057(A)(2).

In correspondence dated October 31, 2011, the Respondent clarified earlier incorrect 2007 First and Second Semiannual Monitoring Reports. The Respondent reported that Diesel Engine No. 1 (EQT001), Diesel Engine No. 2 (EQT003) and Diesel Engine No. 7 (EQT014), had gas pressure monitors installed, but not in use until on or about October 22, 2007. The failure to

install, monitor, and record oxygen level and gas pressure on each engine, is a violation of Title V Permit No. 0400-00002-V1, Title V Permit No. 0400-00002-V2, Title V Permit No. 0400-00002-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

In correspondence dated October 31, 2011, the Respondent clarified earlier incorrect 2007 First and Second Semiannual Monitoring Reports. The Respondent reported that Glycol Dehydrator No. 1 (EQT004), Glycol Dehydrator No. 2 (EQT012), and Glycol Dehydrator No. 3 (EQT021) did not have flame indicators installed until on or about October 22, 2007. The failure to install, monitor, and record oxygen level and gas pressure on each engine, is a violation of Title V Permit No. 0400-00002-V5, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

Clear Lake Compressor Station, AI# 166277

In correspondence dated December 9, 2011, the Respondent reported that on or about November 21, 2011, the facility started up a replacement 1340 horsepower compressor engine (Point Source 7-09) without prior approval from the Department. The failure to receive approval prior to the installation and/or operation of any emission source which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.1, and La. R.S. 30:2057(A)(2).

In correspondence dated December 9, 2011, the Respondent reported that on or about November 21, 2011, the facility started up a replacement 1340 horsepower compressor engine (Point Source 7-09) without prior approval from the Department. The engine was shut down on or about December 9, 2011. The facility reported emissions of Particulate Matter (PM_{10}), Sulfur Dioxide (SO_2), Nitrogen Oxides (NO_x), Carbon Monoxide (CO), Volatile Organic Compounds (VOC), and Hazardous Air Pollutants (HAP). The facility reported the following unpermitted emissions, in tons, during the time the engine was in service:

PM_{10}	SO_2	NO_x	CO	VOC	HAP
0.02	0.001	0.46	0.23	0.03	0.027

Operation of any emission source not included in the facility permit, which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

V

In response to the Consolidated Compliance Orders & Notices of Potential Penalty, Respondent made a timely request for a hearing.

VI

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

VII

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 THIRTY THOUSAND AND NO/100 DOLLARS ($30,000.00), of which One Thousand Four Hundred Forty Eight and 41/100 Dollars ($1,448.41) 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).

VIII

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.

IX

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.

X

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.

XI

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.

XII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Bossier, Red River, and Lincoln Parishes, Louisiana. The advertisement, in form, wording, and size 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.

XIII

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).

XIV

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

XV

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.

ENABLE MIDSTREAM PARTNERS, LP

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

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

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

ENABLE MISSISSIPPI RIVER TRANSMISSION, 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: _____
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

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

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
Lourdes Iturralde, Assistant Secretary