STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-13-0036**
ENABLE MIDSTREAM PARTNERS, LP	*	
	*	**Enforcement Tracking No.**
AI # 1225	*	**AE-CN-12-00218**
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Enable Midstream Partners, LP formerly known as CenterPoint Energy Field Services, 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 partnership that owns and/or operates the Sligo Natural Gas Plant located in Haughton, Bossier Parish, Louisiana ("the Facility"). Natural gas entering the facility can be processed in either the Cryogenic Plant ("Cryo Plant") or the Dewpoint Control Refrigeration Plant ("Refrigeration Plant") to help recover natural gas liquids ("NGLs") from the natural gas stream.

The resulting products are dry natural gas and NGLs. Residue natural gas from both plants is routed to a sales pipeline. NGLs are stored onsite in pressurized bullet tanks and then shipped offsite in pressurized tank trucks.

II

On January 2, 2013, the Department issued to Respondent a Consolidated Compliance Order

& Notice of Potential Penalty (CONOPP), Enforcement No. AE-CN-12-00218, which was based upon the following findings of fact:

The Respondent owns and/or operates the Sligo Natural Gas processing Plant (facility), a cryogenic dew point control natural gas facility, located at 630 Union Texas Road in Haughton, Bossier Parish, Louisiana. The facility was issued Minor Source Air Permit No. 0400-00006-02 on December 30, 2003. On September 16, 2005, the permit was modified and the facility was issued Minor Source Air Permit No. 0400-00006-03. On May 16, 2007, the permit was modified and the facility was issued Title V Air Permit No. 0400-00006-V1. On July 17, 2007, the facility was issued modified Title V Air Permit No. 0400-00006-V2. On January 9, 2008, the facility was issued modified Title V Air Permit No. 0400-00006-V3. The facility was issued modified Title V Air Permit No. 0400-00006-V4 on November 19, 2008. The facility currently operates under Title V Air Permit No. 0400-00006-V5 issued on May 5, 2010, which was administratively amended on August 13, 2010.

On or about August 23, 2011, the Department conducted an inspection at the facility to determine compliance with the Act and the Air Quality Regulations. Additionally, the Department conducted a file review for the facility on or about February 14, 2012.

The following violations were discovered during the course of the inspection and file review:

A. The Respondent failed to establish a system to promptly address the findings of a process hazard analysis, assure that the recommendations are resolved in a timely manner and assure that the resolutions are documented. Specifically, a process hazard analysis conducted in November 2004 for the Cryo Plant included recommendations for the following equipments that remain unresolved: PSV 104, PSV 105B, PSV 103, PSV 120 and PSV 105. Additionally, a process hazard analysis conducted in November 2007 for the Refrigeration Plant included recommendations for equipments V-101 and LVE-103 that remain unresolved. Each failure to resolve the recommendations for each equipment is a violation of LAC 33:III.5901.A, which incorporates by

reference 40 CFR 68.67(e), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

B. The Respondent failed to develop and implement written operating procedures that address consequences of deviation. Specifically, the Refrigeration Plant operating procedures did not contain consequences of deviation. This is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.69(a)(2)(i), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

C. The Respondent failed to develop and implement written operating procedures that address steps required to correct or avoid deviation. Specifically, the Cryo Plant operating procedures did not contain steps required to correct or avoid deviations and neither did the operating procedures of the Refrigeration Plant. This is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.69(a)(2)(ii), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

D. The Respondent failed to develop and implement written operating procedures that address the properties of, and hazards presented by, the chemicals used in the process. Specifically, both procedures for the Gas Plant and the Cryo Plant did not contain this information. This is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.69(a)(3)(i), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

E. The Respondent failed to develop and implement written operating procedures that address the precautions necessary to prevent exposure, including engineering controls, administrative controls, and personal protective equipment. Specifically, the operating procedures for the Refrigeration Plant did not contain this information. This is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.69(a)(3)(ii), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

F. The Respondent failed to develop and implement written operating procedures that address control measures to be taken if physical contact or airborne exposure occurs with chemicals used in the process. Specifically, both procedures for the Gas Plant and the Cryo Plant did not contain this information. This is a violation of LAC 33:III.5901.A, which incorporates by

reference 40 CFR 68.69(a)(3)(iii), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

G. The Respondent failed to prepare training documentation which contains the identity of the employee, the date of training, and the means used to verify that the employee understood the training. Specifically, initial training was not documented for an employee hired in December 2010 and another hired in April 2007. Each failure to prepare training documentation is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.71(c), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

H. The Respondent failed to establish and implement written procedures to maintain the on-going integrity of process equipment. Specifically, the Respondent failed to demonstrate that it has established and implemented written procedures for instrumentation calibration checks for the Cryo and Refrigeration Plant. This is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.73(b), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2). On or about September 8, 2011, the Respondent emailed revised mechanical integrity procedures to the Department.

I. The Respondent failed to perform inspections and tests on process equipment at a frequency consistent with applicable manufacturer's recommendations and good engineering practices. Specifically, the Respondent has a written policy and procedures in place for fixed, rotating and instrument equipment, but visual inspections and external and internal thickness tests were not being performed on the facility schedule. The Respondent missed several monthly pump inspections. The Respondent could not provide the annual critical instrument calibration checks. Each failure is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.73(d)(3), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

J. The Respondent failed to inform, and train, employees involved in operating a process and maintenance and contract employees affected by a change in the process prior to start-up of the process or affected part of the process. Specifically, the Respondent could not demonstrate or verify that employees involved in the process were notified of the changes resulting from Management of Changes (MOCs) 01-0092-10, 01-0085-09, 01-0082-09, 10-

0093-10 and 01-0054-09 prior to the startup of the process. Each is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.75(c), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

K. The Respondent failed to certify that they have evaluated compliance with the provisions of LAC 33:III.5901.A at least every three (3) years. Specifically, the compliance audits were conducted in April 2008 and July 2011, greater than three (3) years apart. This is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.79(a), Specific Requirement 138 of Title V Air Permit No. 0400-00006-V5, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

L. On or about September 29, 2009, the Respondent submitted the 2009 first Semiannual Monitoring Report for the facility. The report indicated that methanol pumps were overlooked for Leak Detection and Repair (LDAR) monitoring from 2004 until being added to the monitoring program in 2009. Each failure to monitor each pump and each pump and compressor seal with a leak detection device quarterly is a violation of Specific Requirement 104 of Title V Air Permit No. 0400-00006-V4, LAC 33:III.2121.C.2.b.i, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

M. On or about March 28, 2011, the Respondent submitted the 2010 Annual Compliance Certification for the facility. The certification indicated that 137 valves were installed in November 2009, but were not monitored. Each failure to monitor valves in gas/vapor service and in light liquid service monthly to detect leaks is a violation of Specific Requirement 87 of Title V Air Permit No. 0400-00006-V4 prior to May 5, 2010, Specific Requirement 95 of Title V Air Permit No. 0400-00006-V5 after May 5, 2010, LAC 33:III.501.C.4 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 THIRTY-FIVE THOUSAND FIVE HUNDRED AND NO/DOLLARS ($35,500.00), of which Four Hundred Ninety and 73/100 Dollars ($490.73) 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

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Bossier Parish, 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.

IX

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).

X

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

XI

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)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: _____
Cheryl Sonnier Nolan, 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: _____
Cheryl Sonnier Nolan, Assistant Secretary