

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

MARATHON ASHLAND PIPE LINE LLC

AI # 689

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

* Settlement Tracking No.
* SA-AE-06-005
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* Enforcement Tracking No.
* AE-CN-05-0142
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SETTLEMENT

The following Settlement is hereby agreed to between Marathon Ashland Pipe Line 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 operates a pipeline breakout station for finished petroleum products known as the Zachary Station located at or near 922 U.S. Highway 61 near Jackson in East Feliciana Parish, Louisiana ("the Facility").

II

On September 16, 2005, the Department issued to Respondent, a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-05-0142, which was based upon the following findings of fact:

On or about July 11, 2005, a file review of the Respondent's 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. The Respondent's facility was operating under Title V Permit No. 0880-00009-V0 issued on September 19, 1996. The permit had an expiration date of September 16, 2001. Therefore, the due date for the submittal of the Title V renewal application was on or about March 20, 2001, or 180 days prior to permit expiration. The Respondent submitted a Title V renewal application under cover letter dated September 12, 2001, which was received by the Department on or about September 17, 2001. The Respondent failed to submit an application for renewal of Title V Permit No. 0880-00009-V0 at least six (6) months prior to the date of the permit expiration. Failure to submit the Title V permit renewal application at least six (6) months prior to the date of expiration is a violation of LAC 33:III.507.E.4, 40 CFR Part 70 General Condition A of Title V Permit No. 0880-00009-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- B. Title V Permit No. 0880-00009-V0 had an expiration date of September 16, 2001. The Respondent submitted a Title V renewal application under cover letter dated September 12, 2001, which was received by the Department on or about September 17, 2001. The Respondent failed to submit an application for renewal of Title V Permit No. 0880-00009-V0 at least six (6) months prior to the date of expiration. The Respondent's facility was later issued Title V Permit No. 0880-00009-V1 on April 4, 2003. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from September 17, 2001 until April 3, 2003. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- C. According to the Respondent's semiannual monitoring report dated March 24, 2003, and annual compliance certification dated March 23, 2003, the Respondent's emergency episode plan was not on file. According to the Respondent, the plan was being reviewed for accuracy before being submitted to the facility. The failure to have standby plans for emissions reduction during emergency episodes as described in LAC 33:III.5611 is a violation of State Only

Specific Condition No. 1 as required by Table 2 of Title V Permit No. 0880-00009-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

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 FOUR THOUSAND ONE HUNDRED NINETY-FIVE AND 73/100 DOLLARS (\$4,195.73), of which SIX HUNDRED NINETY FIVE AND 73/100 DOLLARS (\$695.73) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement.

V

Respondent further agrees that the Department may consider the inspection report(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 LSA- 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 East Feliciana 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 a proof-of-publication affidavit 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 Darryl Serio, Office of Management and Finance, 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/her respective party, and to legally bind such party to its terms and conditions.

MARATHON ASHLAND PIPE LINE LLC

BY: *DP Borell*
(Signature)

DONALD P. BORELL
(Printed or Typed)

TITLE: PRESIDENT



THUS DONE AND SIGNED in duplicate original before me this 14th day of June, 20 06, at Cincinnati, Ohio.

Dawn M Holman
NOTARY PUBLIC (ID #)

Dawn M Holman
(Printed or Typed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Mike D. McDaniel, Ph.D., Secretary

DAWN M. HOLMAN
NOTARY PUBLIC, STATE OF OHIO
My Commission Expires: 01/19/08

BY: *Harold Leggett*
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 10th day of August, 20 06, at Baton Rouge, Louisiana.

Randall S. Beard
NOTARY PUBLIC (ID # 27771)

Randall S. Beard
(Printed or Typed)

Approved: *Harold Leggett*
Harold Leggett, Ph.D., Assistant Secretary