

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

**TEXAS EASTERN TRANSMISSION, LP**

**AI # 20447**

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

\* **Settlement Tracking No.**  
\* **SA-AE-08-0002**  
\*  
\* **Enforcement Tracking No.**  
\* **AE-PP-05-0218**  
\*  
\*  
\*  
\*  
\*

**SETTLEMENT**

The following Settlement is hereby agreed to between Texas Eastern Transmission, 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”).

**I**

Respondent is a partnership who owns and/or operates a gas transmission facility located at Iowa, Jefferson Davis Parish, Louisiana (“the Facility”).

**II**

On February 6, 2006, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-05-0218, which was based upon the following findings of fact:

On or about November 8, 2005, a file review of Iowa Gas Plant, owned and/or operated by Texas Eastern Transmission, LP (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 two miles north of Iowa, adjacent to Louisiana Highway 383 in Jefferson Davis Parish, Louisiana.

The following violations were noted during the course of the file review:

- A. The Respondent failed to submit the facility's semiannual monitoring report for the period encompassing the July through December , 2004, by the March 31, 2005, due date. The report was dated April 4, 2005, and postmarked on April 7, 2005. This late submittal violated Part 70 General Condition K of Title V Permit No. 1360-00010-V2, LAC 33:III.501.C.4, and Section 2057 (A)(2) of the Act.
- B. In the facility's semiannual monitoring report for the period encompassing July through December 2004, the Respondent reported permit deviations. According to the information submitted by the Respondent, on or about July 1, 2004, there was a change in the basis of the emission estimate for VOCs from the Plant Flare (Emission Source No. FL-2). According to the Emission Inventory Questionnaire (EIQ) of Title V Permit No. 1360-00010-V2, the Plant Flare (Emission Source No. FL-2) is permitted to emit 0.0369 tons/yr (annually) of VOCs. The following table lists the monthly VOC emissions from the Plant Flare (Emission Source No. FL-2) for the 2004 calendar year:

	<b>Emissions (MMscf/month)</b>	<b>Emissions (lbs/hr)</b>	<b>Emissions (tons/yr)</b>
January	1.4137	0.0106	0.0466
February	2.4204	0.0182	0.0798
March	2.4136	0.0182	0.0796
April	3.2851	0.0247	0.1083
May	0.8205	0.0062	0.0271
June	0.3454	0.0026	0.0114
July	0.2167	0.0016	0.0071
August	0.3183	0.0024	0.0105

	<b>Emissions (MMscf/month)</b>	<b>Emissions (lbs/hr)</b>	<b>Emissions (tons/yr)</b>
September	0.3414	0.0026	0.0113
October	1.0693	0.0081	0.0353
November	0.2173	0.0016	0.0072
December	0.6051	0.0046	0.0200
<b>TOTAL</b>	<b>13.4668</b>	<b>0.1014</b>	<b>0.4441</b>

VOC Emission Factor = 5.5 lb/MMscf

The annual VOC emission for the 2004 calendar year is 0.4441 tons/yr. The exceedance of the permitted limitations for VOCs listed on the Emission Inventory Questionnaire (EIQ) page, for the Plant Flare (Emission Source No. FL-2) is violation of Louisiana Air Emission Permit General Condition III of Title V Air Permit No. 1360-00010-V2, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057 (A)(2) of the Act.

The following violations at the gas transmission facility located near Iowa, Jefferson Davis Parish, (Agency Interest No. 20447), although not sited in the foregoing enforcement action(s), are included within the scope of the settlement herein.

- A. In an update to the June 3, 2003, letter, dated March 30, 2004, the Respondent notified the Department that the facility had routed the emissions of one emission point to a flare prior to permit approval. Each failure of the Respondent to submit a permit application and receive approval from the permitting authority prior to construction, modification, and/or operation of the facility, which ultimately may have resulted in an initiation or increase in the emission of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- B. In an update to the June 3, 2003, letter, dated March 30, 2004, the Respondent notified the Department that the facility had nine significant emission points with emissions exceeding permitted emission limits and 28 unpermitted and/or incorrectly permitted activities and/or emission points at the facility. Each failure of the Respondent to submit a permit application and receive approval from the permitting authority prior to construction, modification, and/or operation of the facility, which ultimately may have resulted in an initiation or increase in the emission of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- C. During an inspection of the facility on March 7, 2003, the inspector noted a valve (Tag No. 4061) that was open-ended and not blocked by a second valve, a blind flange, a plug, or a cap. This is a violation of LAC 33:III.905 which states "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever

any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded.” Control equipment as defined by LAC 33:III.111 is “any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution.” This is also a violation of 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 FIVE THOUSAND THIRTEEN AND NO/100 DOLLARS (\$5,013.00) of which Six Hundred Twelve and 72/100 Dollars (\$612.72) represents DEQ’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 DEQ 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), the noncompliance report(s), the 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 Jefferson Davis 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 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.

TEXAS EASTERN TRANSMISSION, LP

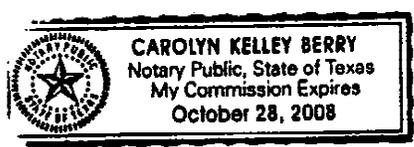
BY: [Signature]  
(Signature)

Gregory P. Bilinski

(Print)  
Group Vice President  
Spectra Energy Transmission Services LLC

TITLE: General Partner of  
Texas Eastern Transmission, LP

THUS DONE AND SIGNED in duplicate original before me this 2nd day of May, 2008, at Houston, Texas.



[Signature]  
NOTARY PUBLIC (ID #00665574-6)

CAROLYN KELLEY BERRY  
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
Harold Leggett, Ph.D., Secretary

BY: [Signature]  
Peggy M. Hatch, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 2nd day of August, 2008, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC (ID # 410539)

Ted R. Boyles, II  
(Print)

Approved: [Signature]  
Peggy M. Hatch, Assistant Secretary