

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

**ETC TEXAS PIPELINE, LTD.**

**AI # 23331, 27740**

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

\* **Settlement Tracking No.**  
\* **SA-AE-22-0076**  
\*  
\* **Enforcement Tracking Nos.**  
\* **AE-PP-15-01054**  
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**SETTLEMENT**

The following Settlement is hereby agreed to between ETC Texas Pipeline, Ltd. (“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 natural gas collection and compression facilities located in Lincoln Parish and Claiborne Parish, Louisiana (“the Facilities”).

**II**

On May 23, 2019, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-15-01054 (Exhibit 1).

**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 TWENTY-SEVEN THOUSAND AND NO/100 DOLLARS (\$27,000.00), of which Seven Hundred Eighty-Seven and 34/100 Dollars (\$787.34) 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 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

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 Lincoln Parish and Claiborne Parish, Louisiana. The advertisement, in form and wording 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.

## X

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).

## XI

In consideration of the above, any claims for penalties are hereby compromised and settled

in accordance with the terms of this Settlement.

## 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.

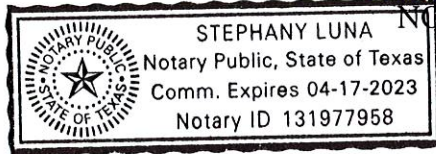
ETC TEXAS PIPELINE, LTD.

BY: [Signature]  
(Signature)  
Jim Wright  
(Printed)

TITLE: VP, General Counsel, & Chief Compliance officer

THUS DONE AND SIGNED in duplicate original before me this 6<sup>th</sup> day of January, 20 23, at Harris County, Tx.

[Signature]  
NOTARY PUBLIC (ID # 131977958)



(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Roger W. Gungles, Secretary

BY: [Signature]  
Celena J. Cage, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 3rd day of August, 20 23, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC (ID # 66881)  
Jay L. Glorios  
(stamped or printed)

Approved: [Signature]  
Celena J. Cage, Assistant Secretary

JOHN BEL EDWARDS  
GOVERNOR



CHUCK CARR BROWN, PH.D.  
SECRETARY

**State of Louisiana**  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

May 23, 2019

CERTIFIED MAIL (7014 0510 0002 3595 3854)  
RETURN RECEIPT REQUESTED

**ETC TEXAS PIPELINE, LTD.**  
c/o Corporation Service Company  
Agent for Service of Process  
501 Louisiana Avenue  
Baton Rouge, LA 70802

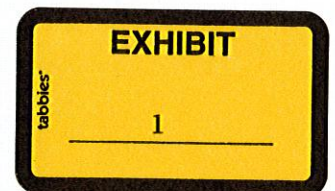
**RE: NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-PP-15-01054  
AGENCY INTEREST NOS. 23331, 27740**

Dear Sir:

On or about April 21, 2015, and May 26, 2015, inspections of the **DUBACH CRYOGENIC FACILITY** (the facility), **AI# 23331**, a natural gas collection and compression facility, owned and/or operated by **ETC TEXAS PIPELINE, LTD (RESPONDENT)**, were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. At the time of the inspections, the facility was owned and/or operated by Regency Field Services, LLC (Regency). Regency underwent a company name change on November 1, 2015, becoming ETC Field Services LLC (ETC). ETC underwent a merger on June 4, 2018, becoming ETC Texas Pipeline, Ltd (Texas). Texas accepted liability for past violations and/or fines. A Notification of Change Form (NOC-1) was submitted for each of the changes. The most recent NOC-1 was submitted on June 4, 2018. The facility is located at 201 Oak Street in Dubach, Lincoln Parish, Louisiana.

The facility operates, or has operated, under Title V Permits listed in Table A:

TABLE A	
Permit No.	Permit Issue Date
1720-00005-V8	January 8, 2013
1720-00005-V9	April 19, 2013
1720-00005-V10	January 12, 2015
1720-00005-V11	April 18, 2016



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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 inspections and subsequent file review conducted on May 1, 2019:

- A. The Respondent failed to develop a written schedule for Process Hazard Analysis (PHA) of when action items were to be completed and for documenting the resolution. The failure to develop a PHA resolution schedule is a violation of 40 CFR 68.67(e), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2). The inspector noted this area of concern was addressed.
- B. The Respondent's mechanical integrity policy (MI), based on company defined and accepted good engineering practices, required pipe to be inspected for corrosion on a five-year interval. Inspections were conducted in 2001 and 2012. The Respondent's failure to conduct inspections at the specified interval is a violation of 40 CFR 68.73(d)(3), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2).
- C. All visual inspections of pipe in 2012 were conducted by uncertified inspectors. This is a violation of 40 CFR 68.73(d)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(1).
- D. The Respondent's Mechanical Integrity (MI) program failed to adequately define "pipe"; specifically, the MI does not address the type of service (corrosive versus non-corrosive). In addition, the Respondent's MI did not cover rotating equipment. Each failure is a violation of 40 CFR 68.73(d)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(1). In electronic correspondence dated April 2, 2018, the Respondent submitted additional information regarding the MI program and stated a plant study was completed in 2016 which addressed the definition of pipe at the facility.
- E. The Respondent failed to establish written procedures for maintenance of process equipment. Specifically, there were no written procedures for the testing of instruments. This is a violation of 40 CFR 68.73(b), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2). In electronic correspondence dated April 2, 2018, the Respondent submitted documentation of maintenance procedures.

On or about September 16, 2014, an inspection of the LISBON GAS PLANT (the facility), AI# 27740, a natural gas collection and compression facility, owned and/or operated by the Respondent was performed to determine the degree of compliance with the Act and the Air Quality Regulations. At the time of the inspection, the facility was owned and/or operated by Regency Field Services, LLC (Regency). Regency underwent a company name change on November 1, 2015, becoming ETC Field Services LLC (ETC). ETC underwent a merger on June 4, 2018, becoming ETC Texas Pipeline, Ltd

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(Texas); liability transferring to Texas. A Notification of Change Form (NOC-1) was timely submitted for each of the changes. The most recent NOC-1 was submitted June 4, 2018. The facility is located at 125 Dubach Plant Road in Lisbon, Claiborne Parish, Louisiana. In correspondence dated December 19, 2016, the Respondent de-registered the facility from the Chemical Accident Prevention Program and stated the plant had been removed from service.

The facility has operated under Minor Source Permits listed in Table B:

TABLE B	
Permit No.	Permit Issue Date
0620-00078-05	September 25, 2009
0620-00078-06	August 20, 2012
0620-00078-07	March 12, 2015

While the investigation by the Department is not yet complete, the following violations were noted during the course of the inspection and subsequent file review conducted on May 1, 2019:

- F. The Respondent did not have documentation of visual inspections on piping and vessels prior to the 2012 inspection. The Respondent's failure to document each inspection and test performed on equipment is a violation of 40 CFR 68.73(d)(4), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2).
- G. The Respondent failed to correct deficiencies in equipment that was outside acceptable limits defined by the process safety information before further use. The Respondent conducted full ultrasonic testing and visual inspections in 2012, that identified vessels and piping (E-101B, V-403, V-402, 1-F-8, 43-C-8, 47-C-SS-6, and 57-C-6) that were past the retirement date of the equipment. The Respondent never reviewed the equipment in a timely manner. The equipment was still in use at the time of the inspection. The Respondent's failure to correct deficiencies that are outside of acceptable limits before further use or in a safe and timely manner is a violation of 40 CFR 68.73(c), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2).
- H. The Respondent failed to maintain documentation to support the implementation of periodic evaluation of contractors as required by 40 CFR 68.87(b)(5). This is a violation of 40 CFR 68.200, which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2).
- I. The Respondent failed to evaluate information regarding the contract owner or operator's safety performance and programs. The Respondent did not have pre-qualifications for TAS or Mussop though both contractors had been at the facility performing work. This is a violation of 40 CFR 68.87(b)(1), which



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language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(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 violations described herein. Written comments may be filed regarding the violations 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 violations. If you would like to have such a meeting, please contact Mark E. Brown at (225) 219-3782 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. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

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.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violations described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

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,

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Lourdes Iturralde  
Assistant Secretary  
Office of Environmental Compliance

LI/MEB/meb  
Alt ID Nos. 1720-00005, 0620-000778

c: ETC Texas Pipeline, Ltd.  
Mike Perryman  
Environmental Director  
401 Edwards Street  
Shreveport, LA 71101

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LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312		NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE (OPTIONAL)		
Enforcement Tracking No.	AE-PP-15-01054	Contact Name	Mark E. Brown	
Agency Interest (AI) Nos.	23331, 27740	Contact Phone No.	(225) 219-3782	
Alternate ID Nos.	1720-00005, 0620-00078			
Respondent:	ETC Texas Pipeline, LTD.	Facility Name:	Dubach Cryogenic Facility, Lisbon Gas Plant	
	c/o Corporation Service Company Agent for Service of Process	Physical Location:	201 Oak Street, 125 Dubach Plant Road	
	501 Louisiana Avenue	City, State, Zip:	Dubach, LA 71235, Lisbon, LA 71048	
	Baton Rouge, LA 70802	Parish:	Lincoln, Claiborne	
<b>SETTLEMENT OFFER (OPTIONAL)</b>				
<i>(check the applicable option)</i>				
<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.			
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in <b>NOTICE OF POTENTIAL PENALTY</b> AE-PP-15-01054, the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.			
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in <b>NOTICE OF POTENTIAL PENALTY</b> AE-PP-15-01054, the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> <li>• Monetary component = \$ _____</li> <li>• Beneficial Environmental Project (BEP) component (optional)= \$ _____</li> <li>• <b>DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM-</b> the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.</li> </ul>			
<input type="checkbox"/>	The Respondent has reviewed the violations noted in <b>NOTICE OF POTENTIAL PENALTY</b> AE-PP-15-01054 and has attached a justification of its offer and a description of any BEPs if included in settlement offer.			
<b>CERTIFICATION STATEMENT</b>				
I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.				
Respondent's Signature		Respondent's Printed Name		Respondent's Title
Respondent's Physical Address		Respondent's Phone #		Date
<b>MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:</b>				
Louisiana Department of Environmental Quality Office of Environmental Compliance Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Mark E. Brown				