

ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

AFIN: 66-00447

LIS No. 21-004

ENABLE MIDSTREAM PARTNERS, LP
-SOUTH BONANZA COMPRESSOR STATION
2 MILES EAST OF HACKETT, AR
HACKETT, ARKANSAS 72937

CONSENT ADMINISTRATIVE ORDER

This Consent Administrative Order (CAO) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and the federal regulations issued thereunder. In addition, this CAO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (the Act), Ark. Code Ann. § 8-4-101 *et seq.*, Arkansas Pollution Control and Ecology Commission (APC&EC) Regulation 7, APC&EC Regulation 8, APC&EC Regulation 18, and APC&EC Regulation 19.

The issues herein having been settled by agreement of Enable Midstream Partners, LP – South Bonanza Compressor Station (Respondent) and the Director of the Division of Environmental Quality¹ (DEQ), it is hereby agreed and stipulated that the following FINDINGS OF FACT and ORDER AND AGREEMENT be entered.

FINDINGS OF FACT

1. Respondent owns and operates a natural gas compression station located 2 miles east of Hackett, Sebastian County, Arkansas.
2. The Air Permit referenced in this CAO is Tracking No.1868-AGP-014, which

¹Pursuant to Act 910 of 2019, the Arkansas Transformation and Efficiencies Act, the former Arkansas Department of Environmental Quality is now the Division of Environmental Quality in the newly created Arkansas Department of Energy and Environment.

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indicates authority to operate under the General Air Permit for Minor Source Natural Gas Compressor Stations (the Permit). The Permit was issued on February 27, 2004.

3. Ark. Code Ann. § 8-4-217(a)(3) provides:

(a) It shall be unlawful for any person to:

...

(3) Violate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by the Division of Environmental Quality.

4. Ark. Code Ann. § 8-4-103(c)(1)(A) as referenced by Ark. Code Ann. §§ 8-4-304 and 8-4-311 authorizes DEQ to assess an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation for any violation of any provision of the Act and any regulation or permit issued pursuant to the Act.

5. Pursuant to Ark. Code Ann. § 8-4-103(c)(1)(B) as referenced by Ark. Code Ann. § 8-4-304, "Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessment."

6. 40 C.F.R. Part 63, National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (Subpart ZZZZ) Table 2d(10) requires that oil and filters be changed and spark plugs, hoses, and belts be inspected within 1,440 hours for stationary reciprocating internal combustion engines.

7. Respondent operates a 255-horsepower Caterpillar 3408NA 4-stroke rich burn (4SRB) natural gas fired compressor engine (SN-01) which is subject to Subpart ZZZZ.

8. In a letter dated May 28, 2020, Respondent requested consideration under DEQ's Environmental Self-Disclosure Incentive Policy (Policy) for failure to inspect the belts, hoses, or spark plugs and failure to change the engine oil and filter at SN-01 within the specified operational intervals outlined in Table 2d(10) of Subpart ZZZZ at the South Bonanza

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Compressor Station. These violations were discovered on May 13, 2020, during a routine review of facility records.

9. The records reviewed revealed that required spark plug, hose, and belt inspections and oil and filter changes on SN-01 were due on or about April 14, 2018. The inspections and oil and filter changes were completed on April 19, 2018, approximately 120 hours over the 1,440 operational interval limit. Such act violates Specific Condition 17 of the Permit and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304. Such act also violates Subpart ZZZZ.

10. Respondent stated the cause of the noncompliance was a recordkeeping error by a third-party rental company. During a change of ownership for the engine rental company, maintenance was conducted by an employee of the third-party rental company that was not familiar with the facility. The employee incorrectly recorded the hour meter reading, which appeared to have caused the next maintenance event to have been scheduled incorrectly. All maintenance conducted since this occurrence has been within the required 1,440-hour timeframe.

11. Respondent stated that it has taken the following actions to prevent any reoccurrences: 1) Have environmental personnel review engine rental maintenance records more frequently; and 2) Have engine rental company update maintenance recordkeeping procedures and records database.

12. In correspondence dated July 1, 2020, DEQ informed Respondent that it had completed its review of Respondent's self-disclosure and found that it did not meet all eight (8) conditions of the DEQ Self-Disclosure Policy. Respondent had similar violations in 2017 for which an informal enforcement action was issued. Therefore, Respondent is not entitled to a reduction of any civil administrative penalty regarding the self-disclosed violations. Though the

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factors were not satisfied for full eligibility under the Policy, DEQ encourages and offers partial penalty mitigation for those who voluntarily disclose, expedite a return to compliance, and cooperate fully through the enforcement process.

ORDER AND AGREEMENT

WHEREFORE, Respondent, neither admitting nor denying the factual and legal allegations contained in this CAO, and DEQ do hereby agree and stipulate as follows:

1. This CAO addresses all violations contained in the FINDINGS OF FACT.
2. In compromise and full settlement for instances of noncompliance specified in the FINDINGS OF FACT, Respondent agrees to pay the sum of **ONE THOUSAND TWO HUNDRED DOLLARS (\$1,200.00)**. Payment is due within thirty (30) calendar days of the effective date of this CAO. Such payment shall be made payable to:

DEQ, Fiscal Division
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317.

In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be entitled to attorneys' fees and costs associated with collection.

3. All applicable submissions required by this CAO are subject to approval by DEQ. In the event of any deficiency, Respondent shall, within fifteen (15) calendar days of notification by DEQ, submit any additional information requested. Failure to respond adequately to the notice of deficiency within fifteen (15) calendar days constitutes a failure to meet a deadline and is subject to the civil penalties established in the following Paragraph.

4. Failure to meet the limits, requirements, or deadlines of this CAO or the applicable approved schedules provided for herein constitutes a violation of this CAO. If Respondent fails to meet any limits, requirements, or deadlines, Respondent shall pay, on

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demand, to DEQ civil penalties according to the following schedule:

- | | |
|--|----------------|
| (a) First day through the fourteenth day: | \$100 per day |
| (b) Fifteenth day through the thirtieth day: | \$500 per day |
| (c) More than thirty days: | \$1000 per day |

Stipulated penalties shall be paid within thirty (30) calendar days of receipt of DEQ's demand to Respondent for such penalties. These stipulated penalties may be imposed for delay in scheduled performance and shall be in addition to any other remedies or sanctions that may be available to DEQ by reason of Respondent's failure to comply with the requirements of this CAO. DEQ reserves its rights to collect other penalties and fines pursuant to its enforcement authority in lieu of the stipulated penalties set forth above.

5. If any event, including, but not limited to, an occurrence of nature, causes or may cause a delay in the achievement of compliance by Respondent with the requirements or deadlines of this CAO, Respondent shall notify DEQ in writing as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates have passed. The notification shall describe in detail the anticipated length of the delay, the precise cause of the delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.

6. DEQ may grant an extension of any provision of this CAO, provided that Respondent requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period, but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure

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to notify DEQ promptly, as provided in the previous Paragraph of the ORDER AND AGREEMENT, shall be grounds for a denial of an extension.

7. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d). However, this CAO shall become effective upon execution by Respondent and the Director of DEQ.

8. As provided by APC&EC Regulation 8, this matter is subject to being reopened upon Commission initiative or in the event a petition to set aside this CAO is granted by the Commission.

9. Nothing contained in this CAO shall relieve Respondent of any obligations imposed by any other applicable local, state, or federal laws. Except as specifically provided herein, nothing contained in this CAO shall be deemed in any way to relieve Respondent of responsibilities contained in the permit.

10. Nothing in this CAO shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. In addition, this CAO neither exonerates Respondent from any past, present, or future conduct that is not expressly addressed herein, nor does it relieve Respondent of the responsibilities for obtaining any necessary permits.

11. By virtue of the signature appearing below, the individual represents that he or she is an Officer of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this CAO by an individual other than an Officer of Respondent shall be accompanied by a resolution granting signature authority to that individual as duly ratified by the governing body of the entity.

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SO ORDERED THIS 12 DAY OF January, 2020.

Becky W. Keogh
BECKY W. KEOGH, DIRECTOR
ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY

APPROVED AS TO FORM AND CONTENT:

ENABLE MIDSTREAM PARTNERS, LP
-SOUTH BONANZA COMPRESSOR STATION

BY: Cary D. Watson (Signature)

CARY D. WATSON (Typed or printed name)

TITLE: VICE PRESIDENT- SAFETY, ENVIRONMENTAL AND TECHNICAL PROGRAMS

DATE: 12/18/20

Compliance