



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

DEC 06 2016

UNITED PARCEL SERVICE

Mr. Tony Puckett
Director of Region Safety Gas Operations
Plains All American
333 Clay Street, Suite 1600
Houston, Texas 77002

Re: Plains Gas Solutions, LLC
Consent Agreement and Final Order
Docket Number: CAA-04-2016-8015(b)

Dear Mr. Puckett:

Enclosed please find an executed copy of the Consent Agreement and Final Order (CAFO) that resolves the Clean Air Act (CAA) matter (Docket No. CAA-04-2016-8015(b)) involving Plains Gas Solutions, LLC. The CAFO was filed with the Regional Hearing Clerk, as required by 40 CFR Part 22, and became effective on the date of the filing.

Also, enclosed, please find a copy of the "Notice of Securities and Exchange Commission Registrants' Duty to Disclose Environmental Legal Proceedings." This document puts Club Chef, LLC, on notice of its potential duty to disclose to the Securities and Exchange Commission (SEC) any environmental enforcement actions taken by the U. S. Environmental Protection Agency Region 4.

Should you have any questions concerning the SEC's environmental disclosure requirements or your compliance status in the future, please contact Mr. Victor Weeks of the EPA Region 4 staff at (404) 562-9189.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony G. Toney", with a long horizontal line extending to the right.

Anthony G. Toney
Chief
Chemical Safety and Enforcement Branch

Enclosures

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
BEFORE THE ADMINISTRATOR**

2016 DEC -6 PM 4: 22

HEARING CLERK

USEPA REGIONAL
OFFICE OF GENERAL
COUNSEL

IN THE MATTER OF:)
)
 Plains Gas Solutions, LLC)
)
 Respondent.)
 _____)

Docket No.
CAA-04-2016-8015(b)

CONSENT AGREEMENT

A. PRELIMINARY STATEMENT

1. This is an administrative penalty assessment proceeding brought under Section 113(d) of the Clean Air Act (the "Act"), 42 U.S.C. § 7413(d), and Sections 22.13 and 22.18 of the Consolidated Rules of Practice Governing Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits ("Consolidated Rules"), as codified at 40 C.F.R. Part 22.
2. Complainant is the United States Environmental Protection Agency, Region 4 (the "EPA"). On the EPA's behalf, the Director of the Air, Pesticides and Toxics Management Division, EPA Region 4, is delegated the authority to settle civil administrative penalty proceedings under Section 113(d) of the Act.
3. Respondent is Plains Gas Solutions, LLC (PGS), a company doing business in the state of Alabama. Respondent is a "person" as defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e).
4. Complainant and Respondent, having agreed that settlement of this action is in the public interest, consent to the entry of this consent agreement ("Consent Agreement" or "Agreement") and the attached final order ("Final Order" or "Order") without adjudication of any issue of law or fact herein, and Respondent agrees to comply with the terms of this Consent Agreement and Final Order.

B. JURISDICTION

5. This Consent Agreement is entered into under Section 113(d) of the Act, as amended, 42 U.S.C. § 7413(d), and the Consolidated Rules, 40 C.F.R. Part 22. The alleged violations in this Consent Agreement are pursuant to Section 113(a)(3)(A).
6. The EPA and the United States Department of Justice jointly determined that this matter, although it involves alleged violations that occurred more than one year before initiation of this proceeding, is appropriate for an administrative penalty assessment. 42 U.S.C. § 7413(d); 40 C.F.R. § 19.4.

7. On October 23, 2015, the EPA issued to Respondent a notice of potential violation (“NOPV”), providing notice that the EPA found that Respondent potentially committed the alleged violations described in Section E of this Agreement and providing Respondent an opportunity to confer with the EPA. On January 19, 2016, representatives of Respondent and the EPA discussed the October 23, 2015, NOPV.

8. The Regional Judicial Officer is authorized to ratify this Consent Agreement which memorializes settlement between Complainant and Respondent. 40 C.F.R. §§ 22.4(b) and 22.18(b).

9. The issuance of this Consent Agreement and attached Final Order simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).

C. GOVERNING LAW

10. Respondent operates a “stationary source” as that term is defined by Section 302(z) of the Act, 42 U.S.C. § 7602(z). The Respondent’s stationary source is located at 13880 County Road 42, Evergreen, Alabama 36401 (stationary source or PGS North Beach Facility).

11. Section 112(r) of the Act, 42 U.S.C. § 7412(r), addresses the prevention of releases of substances listed pursuant to Section 112(r)(3) of the Act, 42 U.S.C. § 7412(r)(3). The purpose of this section is to prevent the accidental release of extremely hazardous substances and to minimize the consequences of such releases. Pursuant to Section 112(r)(7) of the Act, 42 U.S.C. § 7412(r)(7), the EPA is authorized to promulgate regulations for accidental release prevention.

12. Pursuant to Sections 112(r)(3) and 112(r)(7) of the Act, 42 U.S.C. §§ 7412(r)(3) and 7412(r)(7), the EPA promulgated rules codified at 40 C.F.R. Part 68, Chemical Accident Prevention Provisions. These regulations are collectively referred to as the “Risk Management Program” (RMProgram) and apply to an owner or operator of a stationary source that has a threshold quantity of a regulated substance in a process. Pursuant to Sections 112(r)(3) and 112(r)(5) of the Act, 42 U.S.C. §§ 7412(r)(3) and 7412(r)(5), the list of regulated substances and threshold levels are codified at 40 C.F.R. § 68.130.

13. Pursuant to Section 112(r)(7)(B)(iii) of the Act, 42 U.S.C. § 7412(r)(7)(B)(iii), and 40 C.F.R. §§ 68.10 and 68.150, the owner or operator of a stationary source that has a regulated substance in an amount equal to or in excess of the applicable RMProgram threshold in a “process” as defined in 40 C.F.R. § 68.3, must develop an RMProgram accidental release prevention program, and submit and register a single Risk Management Plan (RMPlan) to the EPA.

D. FACTUAL ALLEGATIONS

14. Respondent has submitted and registered an RMPlan to the EPA for its stationary source, and has developed an RMProgram accidental release prevention program for the stationary source.

15. (a) At its stationary source (the PGS North Beach Facility), the Respondent operates a natural gas processing plant.

(b) The PGS North Beach Facility is owned by Plains All American Pipeline and operated by Respondent. At the stationary source, raw natural gas is received via pipeline and processed to remove heavy natural gas liquids (NGLs) (i.e., butane, ethane, methane, pentane, propane, isobutane and isopentane). After being processed and purified into a finished by-product, the NGL mixture is stored in pressurized tanks and transferred into tanker trucks for sale, while the clean natural gas is sold from the site via pipeline. The PGS North Beach Facility has a single RMProgram covered process for the natural gas processing operation which includes two interconnected sub-plants: North Beach 1 and North Beach 2, each nearly identical in processing capabilities. The North Beach 1 sub-plant processing equipment was constructed in 2010. The need for increased capacity prompted the construction of the North Beach 2 sub-plant, which went online in November 2012.

(c) At its PGS North Beach Facility, the Respondent has one RMProgram level 3 covered process which stores or otherwise uses a NGL flammable mixture in amounts exceeding its applicable threshold of 10,000 pounds.

(d) During calendar year 2014, EPA opened an RMProgram compliance monitoring investigation to determine Respondent's compliance with 40 C.F.R. Part 68 at its stationary source. As part of this investigation, the Respondent agreed to allow a duly authorized EPA representative, Eastern Research Group, Inc., to conduct an onsite inspection of its RMProgram related records and process equipment on August 7, 2014. The focus of the onsite inspection was to assess the Respondent's compliance with RMProgram requirements for its covered processes operating at its stationary source.

(e) At the time of the inspection or thereafter, Respondent did not produce evidence supporting that it had compiled the safe upper pressure and temperature limits for all process equipment. A review of the controls section of the process technology sheet for Tank S1 lists the maximum allowable working pressure as "?? psig at ?? oF". Also, the set pressure for pressure control valve 450, which regulates flow to the flare, is shown as "???" on the process technology sheet.

(f) The Respondent's piping and instrumentation drawings (P&IDs) presented during the inspection were inconsistent with the actual installed process equipment. The P&ID for storage Tank S1 indicates that pressure safety valves (PSVs) 470 and 471 have a set pressure of 390 psig; however, the actual PSVs installed on the tank have a set pressure of 325 psig, which was field verified by inspection of the relevant in-service PSV tags.

(g) During the inspection, EPA's authorized representatives observed a truck driver loading a tanker truck with NGL from Tank S1 via the process transfer hose rack. The Respondent could not produce a written operating procedure addressing this transfer activity.

(h) EPA's review of the Respondent's operating procedure for startup and shutdown of the triethylene glycol (TEG) heater found the operating procedure did not reflect current operating practice. During a walk-through of the TEG heater startup and shutdown procedure with a facility operator, EPA's authorized representatives observed that the 1-inch ball valve on the main gas line was in the open position even though the TEG heater was in a shutdown condition. According to the shutdown portion of the procedure, the ball valve on the main gas line should be closed during shutdown. The operator present at the time of EPA's observation indicated that

the current practice was to close another main gas line valve upstream of the ball valve in question. At the time of inspection, the shutdown procedure did not reflect current operating practice.

(i) The Respondent doubled the NGL process capacity of the PGS North Beach facility in November 2012 when it brought the North Beach 2 sub-plant online. The Respondent correctly completed a process hazard analysis prior to startup of the North Beach 2 sub-plant, but failed to also update its RMPlan within six months of the startup.

E. ALLEGED VIOLATIONS OF LAW

16. Based on EPA's compliance monitoring investigation, the EPA alleges that the Respondent violated the codified rules governing the Act's Chemical Accident Prevention Provisions, because Respondent did not adequately implement provisions of 40 C.F.R. Part 68 when it:

Failed to compile written process safety information for the technology of the process which includes safe upper and lower limits as required by 40 C.F.R. § 68.65(c)(1)(iv);

Failed to compile written process safety information pertaining to the equipment in the process which includes piping and instrument diagram(s) as required by 40 C.F.R. § 68.65(d)(1)(ii);

Failed to develop and implement written operating procedures that provide clear instructions for safely conducting activities involved in each covered process as required by 40 C.F.R. § 68.69(a);

Failed to review operating procedures as often as necessary to assure that they reflect current operating practice as required by 40 C.F.R. § 68.69(c); and

Failed to review and update the RMPlan within six months of a process change that required a revised PHA as required by 40 C.F.R. § 68.190(b)(5).

F. TERMS OF CONSENT AGREEMENT

17. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:

- (a) admits that the EPA has jurisdiction over the subject matter alleged in this Agreement;
- (b) neither admits nor denies the alleged violations of law stated above;
- (c) consents to the assessment of a civil penalty as stated below;
- (d) consents to the conditions specified in this Agreement;
- (e) waives any rights to contest the alleged violations of law set forth in Section E of this Consent Agreement; and
- (f) waives its rights to appeal the Order accompanying this Agreement.

18. For the purpose of this proceeding, Respondent:

- (a) agrees that this Agreement states a claim upon which relief may be granted against Respondent;
- (b) acknowledges that this Agreement constitutes an enforcement action for purposes of considering Respondent's compliance history in any subsequent enforcement actions;
- (c) waives any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this Order, including any right of judicial review under Section 307(b)(1) of the Act, 42 U.S.C. § 7607(b)(1);
- (d) consents to personal jurisdiction in any action to enforce this Agreement or Order, or both, in the United States District Court for the Southern District of Alabama;
- (e) waives any rights it may possess at law or in equity to challenge the authority of the EPA to bring a civil action in a United States District Court to compel compliance with the Agreement or Order, or both, and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action; and
- (f) certifies that as of its execution of this Agreement, it is in compliance with all relevant requirements of 40 C.F.R. Part 68.

19. Penalty Payment. Respondent agrees to:

- (a) pay the civil penalty of **FIFTY-THREE THOUSAND TWO HUNDRED DOLLARS (\$53,200)** ("EPA Penalty") within 30 calendar days of the Effective Date of this Agreement;
- (b) pay the EPA Penalty by forwarding a cashier's or certified check payable to the "Treasurer, United States of America," or by electronic transfer to one of the following addresses:

For payment sent via electronic transfer

Federal Reserve Bank of New York

ABA = 021030004

Account = 68010727

SWIFT address = FRNYUS33

33 Liberty Street

New York, New York 10045

Beneficiary: "U.S. Environmental Protection Agency";

For payment sent via standard delivery

U.S. Environmental Protection Agency

PO Box 979077

St. Louis, MO 63197-9000; or

For payment sent for signed receipt confirmation (FedEx, DSL, UPS, USPS Certified)

U.S. Environmental Protection Agency
Cincinnati Finance Center Box 979077
1005 Convention Plaza
SL-MO-C2GL
St. Louis, MO 63101
Delivery Location Phone Number: 314-425-1819.

The check shall reference on its face the name and the Docket Number of the CAFO. Within 24 hours of payment of the EPA Penalty, send a separate copy of the check or confirmation of electronic transfer, and a written statement that payment has been made in accordance with this Agreement, to the following persons at the following addresses:

Regional Hearing Clerk
U.S. EPA Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

Deanne Grant
Chemical Management and Emergency
Planning Section
U.S. EPA Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

Saundi Wilson
Office of Regional Counsel
U.S. EPA Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

20. If Respondent fails to timely pay any portion of the penalty assessed under this Agreement, the EPA may:

- (a) request the Attorney General to bring a civil action in an appropriate district court to recover: the amount assessed; interest at rates established pursuant to 26 U.S.C. § 6621(a)(2); the United States' enforcement expenses; and a 10 percent quarterly nonpayment penalty, 42 U.S.C. § 7413(d)(5);
- (b) refer the debt to a credit reporting agency or a collection agency, 42 U.S.C. § 7413(d)(5), 40 C.F.R. §§ 13.13, 13.14, and 13.33;

- (c) collect the debt by administrative offset (i.e., the withholding of money payable by the United States to, or held by the United States for, a person to satisfy the debt the person owes the Government), which includes, but is not limited to, referral to the Internal Revenue Service for offset against income tax refunds, 40 C.F.R. Part 13, Subparts C and H; and
- (d) suspend or revoke Respondent's licenses or other privileges, or suspend or disqualify Respondent from doing business with the EPA or engaging in programs the EPA sponsors or funds, 40 C.F.R. § 13.17.

21. By signing this Agreement, Respondent acknowledges that this Agreement and Order will be available to the public and agrees that this Agreement does not contain any confidential business information or personally identifiable information.

22. By signing this Agreement, the undersigned representative of Complainant and the undersigned representative of Respondent each certify that he or she is fully authorized to execute and enter into the terms and conditions of this Agreement and has the legal capacity to bind the party he or she represents to this Agreement.

23. By signing this Agreement, both parties agree that each party's obligations under this Consent Agreement and attached Final Order constitute sufficient consideration for the other party's obligations.

24. By signing this Agreement, Respondent certifies that the information it has supplied concerning this matter was at the time of submission true, accurate, and complete for each such submission, response, and statement. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.

25. Each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

G. EFFECT OF CONSENT AGREEMENT AND ATTACHED FINAL ORDER

26. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this Consent Agreement and Final Order resolves only Respondent's liability for federal civil penalties for the violations and facts specifically alleged above.

27. Penalties paid pursuant to this Agreement shall not be deductible for purposes of federal taxes.

28. This Agreement constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof.

29. The terms, conditions, and compliance requirements of this Agreement may not be modified or amended except upon written agreement of both parties, and approval of the Regional Judicial Officer.

30. Any violation of this Order may result in a civil judicial action for an injunction or civil penalties of up to \$37,500 per day per violation, or both, as provided in Section 113(b)(2) of the Act, 42 U.S.C. § 7413(b)(2), as well as criminal sanctions as provided in Section 113(c) of the Act, 42 U.S.C. § 7413(c). The EPA may use any information submitted under this Order in an administrative, civil judicial, or criminal action.

31. Nothing in this Agreement shall relieve Respondent of the duty to comply with all applicable provisions of the Act and other federal, state, or local laws or statutes, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.

32. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.

33. The EPA reserves the right to revoke this Agreement and settlement penalty if and to the extent that the EPA finds, after signing this Agreement, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to the EPA, and the EPA reserves the right to assess and collect any and all civil penalties for any violation described herein. The EPA shall give Respondent notice of its intent to revoke, which shall not be effective until received by Respondent in writing.

THIS SECTION LEFT INTENTIONALLY BLANK

H. Effective Date

34. Respondent and Complaint agree to issuance of the attached Final Order. Upon filing, the EPA will transmit a copy of the filed Consent Agreement to the Respondent. This Consent Agreement and attached Final Order shall become effective after the execution of the Final Order by the Regional Judicial Officer, on the date of filing with the Regional Hearing Clerk. The foregoing Consent Agreement in the Matter of Plains Gas Solutions, LLC, Docket Number CAA-04-2016-8115(b), is Hereby Stipulated, Agreed, and Approved for Entry.

FOR RESPONDENT:

Plains Gas Solutions, LLC

By: Tony Puckett (Signed) Date: 10-21-16

Name: Tony Puckett (Typed or Printed)

Title: Director of Safety (Typed or Printed)

FOR COMPLAINANT:

U.S. Environmental Protection Agency

By: Manj. Gettle Date: 11/4/16

for Jeaneanne M. Gettle
Acting Director
Air, Pesticides and Toxics Management Division

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
BEFORE THE ADMINISTRATOR**

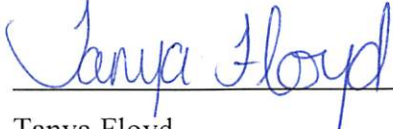
IN THE MATTER OF:)
)
 Plains Gas Solutions, LLC)
)
 Respondent.)
 _____)

Docket No.
CAA-04-2016-8015(b)

Pursuant to 40 C.F.R. § 22.18(b) of the EPA's Consolidated Rules of Practice and section 113(d) of the Clean Air Act, 42 U.S.C. § 7413(d), the attached Consent Agreement resolving this matter is incorporated by reference into this Final Order and is hereby ratified.

The Respondent is ORDERED to comply with all terms of the Consent Agreement, effective on the date that the Consent Agreement and Final Order are filed by the Regional Hearing Clerk.

SO ORDERED this 6th day of December, 2016.



Tanya Floyd
Regional Judicial Officer

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing Consent Agreement and Final Order, in the matter of Plains Gas Solutions, LLC, CAA-04-2016-8015(b), on the parties listed below in the manner indicated:

Robert W. Bookman
U. S. EPA, Region 4
Air, Pesticides and Toxics
Management Division
61 Forsyth Street
Atlanta, GA 30303

(Via EPA's internal mail)

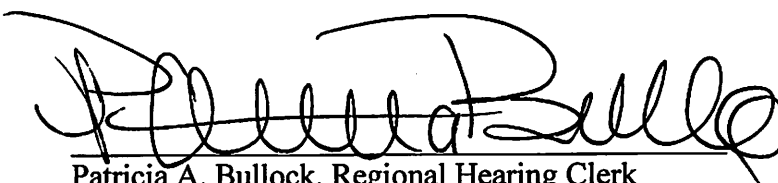
Ellen Rouch
U. S. EPA, Region 4
Office of Regional Counsel
61 Forsyth Street
Atlanta, GA 30303

(Via EPA's internal mail)

Tony Puckett
Director of Region Safety Gas Operations
Plains All American
333 Clay Street, Suite 1600
Houston, TX 77002

(Via Certified Mail -
Return Receipt Requested)

Date: 12-06-16



Patricia A. Bullock, Regional Hearing Clerk
United States Environmental
Protection Agency, Region 4
Atlanta Federal Center
61 Forsyth Street, S.W.
Atlanta, GA 30303
(404) 562-9511