

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 18, 2008

Mr. Bill Greene
Vice President - Manufacturing
Nova Chemicals
US Operating Centre
1550 Coraopolis Heights Road
Moon Township, PA 15108

CPF 3-2008-5008W

Dear Mr. Greene:

On April 28 to May 2, 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline facilities in Marysville, Michigan.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. **§195.412 Inspection of rights-of-way and crossings under navigable waters.**
 - (a) **Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.**

Review of Nova's patrol records for May 2007 found one example where they exceeded the allowable three weeks between patrols. The dates in question were 5-4-2007 to 6-11-2007.

2. **§195.428 Overpressure safety devices and overfill protection systems**

Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Nova did not inspect their over-pressure protection devices twice a year at intervals not to exceed 7½ months.

Nova has been inspecting their high pressure shut downs in Canada once a year. Additionally, since the lines are bi-directional, Nova receives product in Canada from Marysville Storage. However, they do not have an over-pressure protection device when the line runs in that direction. Marysville Storage has high pressure shut downs on their pumps, but Nova has not been getting the inspections on them. The line did not exceed the maximum operating pressure of 1440 psig for the time period reviewed.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Nova Chemicals being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 3-2008-5008W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration