

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 10, 2009

Kevin Sullivan
Senior V.P. Chemicals
PPG Industries, Inc.
440 College Park Drive
Monroeville Pennsylvania, 15146

CPF 4-2009-1015W

Dear Mr. Sullivan:

On August 27 - 31 and November 5 - 9, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code inspected PPG Industries, Inc. (PPG) procedures and records for the Integrity Management Plan in Westlake, Louisiana.

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 violations are:

1. §192.905(a) General. To determine which segments of an operator's transmission pipeline system are covered by this subpart, an operator must identify the high consequence areas. An operator must use method (1) or (2) from the definition in §192.903 to identify a high consequence area. An operator may apply one method for its entire pipeline system, or an operator may apply one method to individual portions of the pipeline system. An operator must describe in its integrity management program which method it is applying to each portion of the operator's pipeline system. The description must include the potential impact radius when utilized to establish a high consequence area. (See appendix E.I. for guidance on identifying high consequence areas.)

- A) At the time of the inspection, PPG's December 2004 BAP differentiated Class 3 locations of its Chlorine lines versus non-class 3 locations. It is unclear:
- Whether the entire length of chlorine lines were included within the BAP (6.822 miles versus 6.2 reported in the semi-annual reports).
 - How identified sites were included within the procedural steps for identifying HCAs on these lines.
 - PPG should have determined initially in 2004 that the Bayer Plant area was an identified site and should have added it to the BAP at that time.
- B) PPG did not apply new information available concerning factors for ethylene; instead PPG applied a factor of .74 with the CFER equation in determining a PIR of 196+ feet for its 8" Orange ethylene gas pipeline. The accepted factor to use is 1.04 for ethylene as identified in the Baker TTO-013 report that results in a PIR radius for ethylene of 271+ feet. PPG needs to revise IMP plan for determining HCAs for its 8" ethylene pipeline, ensure it identifies any additional HCAs or identified sites due to the revised PIR, and revise its BAP to reflect any additional HCAs and HCA segment footage for the ethylene pipeline.
- C) PPG personnel incorrectly applied method 2, potential impact circles, in determining the limits of its HCAs and were not applying the method in accordance with the wording in its procedure. PPG needs to revise its IMP plan and procedures to specifically indicate how PPG will determine the limits of its HCAs and correct its listing of HCAs.

2. §192.921(a)(4) Other technology. Other technology that an operator demonstrates can provide an equivalent understanding of the condition of the line pipe. An operator choosing this option must notify the Office of Pipeline Safety (OPS) 180 days before conducting the assessment, in accordance with §192.949. An operator must also notify a State or local pipeline safety authority when either a covered segment is located in a State where OPS has an interstate agent agreement, or an intrastate covered segment is regulated by that State.

At the time of the inspection, PPG provided documentation of an ECDA and indicated it used Long Range Ultrasonic Testing (LRUT) as a complementary tool to DCVG, CIS, and CSAN for use on casings. This does not meet Subpart O rule requirements. The PHMSA inspection team explained that LRUT of casings results in use of "other technology" requiring notification to PHMSA. PPG did not meet the 180-day notification requirement. Such notifications must include technical justification of LRUT assessment capability.

With respect to items 1 & 2 above, PPG revised several Integrity Management Plan procedures including the number of HCA miles and its Baseline Assessment Plan. PPG utilized newly submitted procedures to verify their HCA

miles and updated their Baseline Assessment Plan. The inspection team reviewed the updates and verified that the procedures were in compliance.

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 PPG Industries, Inc. 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 4-2009-1015W**. 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,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration