



**United States Department of State**

*Bureau of Oceans and International  
Environmental and Scientific Affairs*

*Washington, D.C. 20520*

**FINDING OF NO SIGNIFICANT IMPACT  
FOR THE PROPOSED NOVA CHEMICALS INC. LINE 20 FACILITIES  
CONVERSION PROJECT**

**Project Description**

Under E.O. 13337 the Secretary of State is authorized to issue Presidential Permits for the construction, connection, operation, or maintenance at the borders of the United States, of facilities for the exportation or importation of liquid petroleum, petroleum products, or other non-gaseous fuels to or from a foreign country. NOVA Chemicals Inc. (NOVA) has applied to the Department of State (the Department) for reinstatement of a Presidential Permit authorizing it to operate and maintain existing pipeline facilities at the U.S.-Canada international boundary near Marysville, St. Clair County, Michigan.

NOVA states that it intends to convert these pipeline facilities, consisting of approximately 1,350 feet of 12-inch diameter pipeline (the Line 20 Facilities), from natural gas transmission to natural gas liquids transportation service in order to transport natural gas liquids, principally ethane, from U.S. sources of supply to a petrochemical complex located in Corunna, Ontario, Canada. The Corunna complex is owned and operated by NOVA Chemicals (Canada) Ltd. (NOVA Ltd.) which, like NOVA Chemicals Inc., is a subsidiary of NOVA Chemicals Corporation (NOVA Corporation). According to NOVA its conversion of the Line 20 Facilities from natural gas to natural gas liquids service will return the Line 20 Facilities to the service for which a Presidential Permit was issued in 1986.

NOVA states that the purpose of its Line 20 Facilities conversion project is to supply a critical link in a pipeline system that will transport natural gas liquids (principally ethane) derived from natural gas produced in the Marcellus Shale play in Pennsylvania, Ohio, West Virginia, and neighboring states to the international boundary under the St. Clair River and onward in Ontario to NOVA Ltd.'s Corunna petrochemical complex. According to NOVA, the ethane transported through the converted Line 20 Facilities will replace existing petroleum-based feedstocks used in the Corunna petrochemical complex with more economical, reliable and environmentally preferable feedstocks including ethane and small amounts of propane and butane. NOVA reports that, at a maximum allowable operating pressure of 1,440 psi, the Line 20 Facilities will be able to transport up to 65,000 barrels per day (bpd) of ethane and other natural gas liquids to the Corunna petrochemical complex, where these liquids will be used as feedstock in the production of a variety of petrochemical products, including products exported to the U.S. for incorporation into a variety of products and processes.

NOVA states that its parent, NOVA Corporation, has contracted on a long-term basis to purchase ethane supplies from U.S. suppliers which are to be delivered at locations in Pennsylvania into existing and expanded pipeline facilities and from these pipelines into interstate common carrier

petroleum product pipeline facilities owned and operated by Sunoco Pipeline, L.P. (Sunoco). NOVA Corporation has executed a long-term agreement with Sunoco under which it will be a committed shipper of ethane on Sunoco's existing 8-to-10-inch-diameter petroleum products transmission pipeline extending from western Pennsylvania to Marysville, Michigan which, with the completion of Sunoco's "Mariner West pipeline project," will be converted to ethane transportation service.

### **Proposed Action**

NOVA states that, in order to ready the Line 20 Facilities for conversion to natural gas liquids service, it will replace a flange and a short length of pipeline located entirely within its existing Marysville, Michigan meter site. NOVA will also replace two pipeline elbows to address integrity requirements at a location near the fenced in meter site and owned by NOVA. The dimensions of the excavation to complete this work are approximately 50 feet by 30 feet. According to NOVA, this minor construction will take place entirely within previously disturbed areas.

### **Connected Action**

Sunoco proposes to construct a new meter station and associated above ground appurtenances; a 16-foot wide access road from River Road in Marysville, Michigan to the proposed meter station; and a 563-ft long, 12-inch diameter customer connection pipeline (together, "the Sunoco Facilities") to the block valve site that marks the upstream end of NOVA's Line 20 Facilities. The construction of the Sunoco Facilities will be the only construction required to permit the Line 20 Facilities to be restored to natural gas liquids service. NOVA states that this construction will be conducted in accordance with requirements imposed by permits which Sunoco is in the process of obtaining from the U.S. Army Corps of Engineers and the Michigan Department of Environmental Quality, and in conformance with pipeline safety requirements imposed by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration.

### **Ownership and Presidential Permits**

NOVA's predecessor, Novacor Hydrocarbon, Inc. (successor to Polysar Hydrocarbons, Inc., the original holder of the Line 20 Facilities Presidential Permit), originally leased the Line 20 Facilities in 1995. Under that original lease, CMS Gas Transmission Company acquired the right to use the Line 20 facilities for the transportation of natural gas between Michigan and Ontario, and the Federal Energy Regulatory Commission (FERC) granted CMS Gas Transmission a Presidential Permit for this purpose on August 2, 1995, *CMS Gas Transmission and Storage Co.*, 72 FERC Par. 61,146 (1995). That lease was subsequently assigned to Bluewater Gas Storage, LLC, (Bluewater) and FERC issued Bluewater a Presidential Permit on November 24, 2004, *CMS Gas Transmission Co. and Bluewater Gas Storage, L.L.C.*, 109 FERC Par. 61,219 (2004). NOVA gave notice to Bluewater approximately two years ago that the Line 20 Facilities will no longer be available for Bluewater's use. As a result of the lease termination, Bluewater is completing a project to bore a new crossing under the St. Clair River in the same vicinity as the Line 20 Facilities.

### **Existing Environmental Documentation**

Bluewater and Sunoco are constructing new facilities that require a Natural Gas Act Section 3 authorization and U.S. Army Corps/Michigan Department of Environmental Quality (MDEQ) Joint Permits. Accordingly, they were required to conduct environmental/cultural resource studies and prepare detailed maps and drawings depicting their proposed facilities. The study areas analyzed in the Bluewater and Sunoco environmental documents encompass the proposed project and connected action areas. The three documents cited below, which were supplied to NOVA by Sunoco and Bluewater, each contain analysis consistent with NEPA that addresses the proposed NOVA project areas.

*Environmental Assessment of the St. Clair River Crossing Replacement Project*, submitted to the Federal Energy Regulatory Commission for Bluewater Gas Storage (Docket No. CP 12-51-000) Bluewater prepared an Environmental Resource Report to FERC that described the various environmental resources that exist in the area to be affected by Bluewater's construction of its new St. Clair River Crossing Project and its removal of its existing connection with NOVA's Line 20 Facilities. The wetlands study boundary encompasses the wetland area that would be impacted by Sunoco's proposed construction of its customer connection pipeline into the NOVA Line 20 valve site. FERC relied on the Bluewater's Environmental Resource Report in preparing its Environmental Assessment of Bluewater's St. Clair River Crossing Project and in its Finding of No Significant Impact (FONSI) concerning that project. FERC's order approving Bluewater's Section 3 and Presidential Permit applications was issued on June 21, 2012 (139 FERC Par. 61,233).

*Feb. 6, 2012 Joint Permit Application to the Army Corps of Engineers and MDEQ (includes Phase I Cultural Resource Investigation of the Proposed St. Clair Project Area, Project Mariner West Pipeline and the Rare Species Assessment)*

Sunoco proposed to install a pipeline under the St. Mary's River, install approximately 75 feet of new pipeline in wetlands adjacent to the St. Mary's River, and remove a total of 275 feet of existing pipeline. This permit was granted on July 5, 2012 (Department of the Army Permit No. LRE-2011-00794-12). The area covered under this permit included the proposed NOVA project area.

*Nov. 1, 2012 Joint Permit Application to the Army Corps of Engineers and MDEQ*

Sunoco submitted this permit application on November 1, 2012, attaching wetlands, rare species, and cultural resource surveys. The permit application detailed the proposed work associated with connecting to the Line 20 Facilities. The proposed project includes a new meter station and associated above ground appurtenances, a 16 foot wide access road from River Road to the proposed meter station, and a 563 ft long, 12-inch customer connection pipeline. The results of that application are pending.

Consistent with NEPA and the CEQ regulations (Sec. 1506.3 Adoption and Sec. 1506.4 Combining Documents) the Department adopts the Environmental Assessment referenced above and deems it appropriate to Incorporate by Reference per 40 CFR 1502.21, the two joint permit applications to address the environmental analysis for the proposed project and connected action.

## **Analysis of Existing Environmental/Cultural Resource Documents**

The analysis in this FONSI is conducted consistent with NEPA (42 U.S.C. 4321 et seq.), the Department's implementing regulations (22 CFR Part 161), and the Council on Environmental Quality (CEQ) Regulations. The CEQ regulations state that the determination of significance requires consideration of both context (discussed above) and intensity, and list ten criteria that should be considered in evaluating intensity (40 CFR 1508.27). Each criterion is discussed below with respect to the proposed action and considered individually as well as in combination with the others.

*1. Can the proposed action reasonably be expected to cause both beneficial and adverse impacts that overall may result in a significant effect, even if on balance the effect will be beneficial?* The proposed action, to replace a flange and a short length of pipeline located entirely within its existing Marysville, Michigan meter site and replace two elbows near the meter site on land owned by NOVA, is not likely to cause effects, either significant or adverse, as the area is previously disturbed.

The proposed connected Sunoco Facilities actions are also unlikely to cause significant effects, either beneficial or adverse, as similar activities in the area in question have previously received a Finding of No Significant Impact from FERC and a joint permit approval from the Army Corps of Engineers and MDEQ. A joint permit application to the Army Corps of Engineers and MDEQ for the specific work to be performed (a new meter station and associated above ground appurtenances; a 16-foot wide access road from River Road to the proposed meter station; and a 563-foot long, 12-inch customer connection pipeline) is currently pending on the site, but assuming that Sunoco Facilities complies with any permit conditions, it is unlikely that this connected action will significantly impact the environment.

*2. Can the proposed action reasonably be expected to significantly affect public health or safety?* Neither the project nor the connected action is likely to significantly affect public health or safety. The proposed action, to replace a flange and a short length of pipeline located entirely within its existing Marysville, Michigan meter site and replace two elbows near the meter site on land owned by NOVA is consistent with the type of repair/maintenance work that is routinely performed on pipelines and valve pits. Additionally NOVA has published a "Responsible Care" Policy that outlines NOVA's commitment to health and safety.

The connected action proposed by Sunoco Facilities, installing approximately 563 feet of pipeline to connect to the existing NOVA valve pit, building the access road and installing the metering station and associated above ground appurtenances, is unlikely to significantly affect public health or safety as the disturbance is minimal. As a major pipeline operator, Sunoco is subject to OSHA worker safety requirements and specific requirements relating to welding and excavation (see generally 29 C.F.R. 1926 Subparts J (Welding and Cutting) and P (Excavation)). It is also subject to PHMSA requirements relating to hazardous liquids pipeline construction (see generally 49 C.F.R. Sections 195.200-195.266), which cover compliance with various standards, qualification of welders, welding techniques, depth of cover and inspection. Both OSHA and PHMSA requirements address worker and public health and safety. Additionally, Sunoco has

published company-specific health and safety plans that would ensure its compliance with both OSHA and PHMSA requirements.

*3. Can the proposed action reasonably be expected to result in significant impacts to unique characteristics of the geographic area, such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas?*

The area where the proposed action will take place is not in the proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas. The proposed action will take place in previously disturbed, upland areas.

The area where the connected action proposed by Sunoco would occur does not contain park lands, prime farmlands, wild and scenic rivers, or ecologically critical areas. Surveys for wetlands, cultural resources, and threatened and endangered species were conducted in 2012. The results of those surveys and analysis are detailed below.

#### Wetlands

Approximately 0.22 acres of emergent wetlands are likely to be impacted by the proposed project. The project has been designed to avoid forested wetlands. Sunoco stated in its joint permit application to the Army Corps of Engineers and MDEQ that “Upon completion of the project the wetland will be returned to pre-construction contours and allowed to revegetate.” In considering the application, the Army Corps of Engineers and the MDEQ will determine whether mitigation or avoidance is warranted with regard to the wetlands impacts. The Department assumes NOVA will comply with any restrictions associated with those permits.

#### Cultural Resources

A Phase 1 Cultural Resource survey was conducted on April 30, 2012. No archaeological materials or archaeological features were found during these investigations. Additionally, “In the opinion of the investigator, the proposed Project Mariner West Pipeline St. Clair project area can be constructed in the project area with no effect to any cultural resources potentially eligible for listing on the National Register of Historic Places” (Environmental Resource Management, Phase 1 Cultural Resource Survey, May 23, 2012).

#### Threatened or Endangered Species

No federally listed species were identified during the review. A rare species field survey did not observe any threatened or endangered vegetation species in the proposed project area (Environmental Resource Management, Rare Species Assessment, July 6, 2012).

*4. Are the proposed action’s effects on the quality of the human environment likely to be highly controversial?*

The area where both the proposed action and the proposed connected action would occur is located between two pipelines and in the vicinity of an existing pipeline valve station. It is unlikely that this project will be highly controversial.

5. *Are the proposed action's effects on the human environment likely to be highly uncertain or involve unique or unknown risks?*

Both the proposed action and the proposed connected action involve typical installation and maintenance/repair operations on pipelines and associated structures and are therefore not likely to involve unique or unknown risks.

6. *Can the proposed action reasonably be expected to establish a precedent for future actions with significant effects or represent a decision in principle about a future consideration?*

Both the proposed action and the proposed connected action involve typical installation and maintenance/repair operations on pipelines and associated structures and are therefore not unique or likely to establish a precedent for the future.

7. *Is the proposed action related to other actions that when considered together will have individually insignificant but cumulatively significant impacts?*

It is unlikely that the proposed action or the proposed connected action will contribute significantly to cumulative impacts. The proposed actions involve typical installation and maintenance/repair operations on pipelines and associated structures.

8. *Can the proposed action reasonably be expected to adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources?*

A Phase 1 Cultural Resource survey was conducted on April 30, 2012. No archaeological materials or archaeological features were found during these investigations. Additionally, "In the opinion of the investigator, the proposed Project Mariner West Pipeline St. Clair project area can be constructed in the project area with no effect to any cultural resources potentially eligible for listing on the National Register of Historic Places" (Environmental Resources Management May 23, 2012).

9. *Can the proposed action reasonably be expected to have a significant impact on endangered or threatened species or their critical habitat as defined under the Endangered Species Act of 1973?*

No federally listed species were identified as occurring in the vicinity of the proposed action during the threatened and endangered species review.

10. *Can the proposed action reasonably be expected to threaten a violation of Federal, state, or local law or requirements imposed for environmental protection?*

Both NOVA and Sunoco have publically stated they will comply with all Occupational Safety and Health Administration, Pipeline and Hazardous Materials Safety Administration (PHMSA), Army Corps of Engineers, and MDEQ requirements. It is therefore unlikely that the proposed action or the proposed connected action would violate environmental laws or requirements.

Copies of the supporting documents,

- *Environmental Assessment of the St. Clair River Crossing Replacement Project,*
- *Feb. 6, 2012 Joint Permit Application to the Army Corps of Engineers and MDEQ (includes Phase 1 Cultural Resource Investigation of the Proposed St. Clair Project Area, Project Mariner West Pipeline and the Rare Species Assessment), and the*

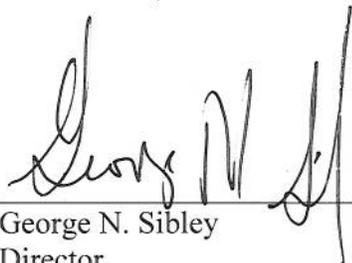
- *Nov. 1, 2012 Joint Permit Application to the Army Corps of Engineers and MDEQ*

are available from the Department at the following address:

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#### DETERMINATION

Consistent with NEPA (42 U.S.C. 4321 et seq.), the regulations of the Council on Environmental Quality (40 CFR 1500-1508), and the Department's implementing regulations (22 CFR Part 161, and in particular 22 CFR 161.7(c)), I find that issuance of a Presidential Permit authorizing the construction, connection, operation, and maintenance of the Cross Border Facility would not have a significant impact on the quality of the human environment. A complete analysis of environmental impacts is contained within the Federal Energy Regulatory Commission *Environmental Assessment of the St. Clair River Crossing Replacement Project*, and additional studies and permit applications referenced above.



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George N. Sibley  
Director  
Office of Environmental Quality and Transboundary Issues

18 JAN 2013  

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Date