



John R. Kasich, Governor
Mary Taylor, Lt. Governor
Scott J. Nally, Director

October 26, 2012

Mr. Eric Cassisa
INEOS ABS (USA) Corporation
365 Three Rivers Parkway
Addyston, Ohio 45001

**RE: INEOS ABS (USA) Corp., OH0009946;1IF00001*JD, CEI
NOTICE OF VIOLATION**

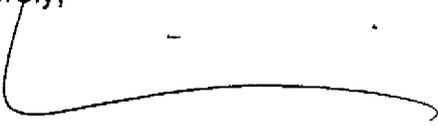
Dear Mr. Cassisa:

On October 12, 2012, I met with Jessica Reece and conducted a NPDES Compliance Evaluation Inspection (CEI) at INEOS ABS (USA) Corporation. The purpose of this inspection was to evaluate compliance with the terms of the NPDES permit. Please note that the report, by its format, tends to highlight negative areas.

As indicated in the attached CEI Report, all the areas received a Satisfactory rating.

Thank you for the time extended during your inspection. If you have any questions, please contact me at this office at (937) 285-6108.

Sincerely,


Marianne Piekutowski
Environmental Specialist 2
Division of Surface Water

MP/tb

Enclosures

cc: Jessica Reece, INEOS ABS (USA) Corp.



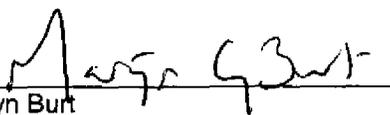
State of Ohio Environmental Protection Agency
Southwest District Office

NPDES Compliance Inspection Report

Section A: National Data System Coding					
Permit #	NPDES#	Month/Day/Year	Inspection Type	Inspector	Facility Type
OH0009946	11F00001*JD	10/12/2012	C	S	2

Section B: Facility Data		
Name and Location of Facility Inspected	Entry Time	Permit Effective Date
INEOS ABS Corporation 356 Three Rivers Parkway Addyston, Ohio 45001	10:00 am	3/1/2009
	Exit Time	Permit Expiration Date
	11:50 am	7/31/2012
Name(s) and Title(s) of On-Site Representatives	Phone Number(s)	
Jessica Reece, WWTP Engineer	(513) 467-2321	
Name, Address and Title of Responsible Official	Phone Number	
Eric Cassisa, Plant Manager INEOS ABS (USA) Corporation 356 Three Rives Parkway Addyston, Ohio 45001	(513) 467-2400	

Section C: Areas Evaluated During Inspection					
(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)					
S	Permit	N	Flow Measurement	N	Pretreatment
N	Records/Reports	N	Laboratory	N	Compliance Schedule
S	Operations & Maintenance	S	Effluent/Receiving Waters	N	Self-Monitoring Program
S	Facility Site Review	N	Sludge Storage/Disposal	N	Other
N	Collection System				

Section D: Summary of Findings (Attach additional sheets if necessary)	
See attached report.	
Inspector	Reviewer
 Date: 10/26/12 Marianne Piekutowski Division of Surface Water Southwest District Office	 Date: 10/29/2012 Martyn Burt Compliance & Enforcement Supervisor Division of Surface Water Southwest District Office

INEOS ABS (USA) CORPORATION
NPDES COMPLIANCE EVALUATION INSPECTION
DATE OF INSPECTION: October 12, 2012

ITEMS FOR DISCUSSION:

On August 7-8, 2012, USEPA conducted a CEI at the facility. This CEI will be a more focused inspection relating to the proposed Air Products installation at the INEOS facility.

COMPLIANCE EVALUATION:

On the following dates, flow measurements could not be taken at outfall 002 because the Ohio River inundated the flow meter: January 24, 27-31, 2012, February 1, 2012, and March 5-7, 2012. The pH reading could not be taken because the Ohio River inundated the sampling location on March 7, 2012. Finally, a total residual chlorine reading was not obtained on March 7, 2012 because the outfall was inundated by the Ohio River.

This inspection report will be the Notice of Violation for these violations.

OBSERVATIONS:

There was release of butadiene from a railcar on the day of the inspection. The butadiene vaporized into the atmosphere. There was no release to waters of the State. The Ohio EPA was notified. The rest of the material in the line had been flared out. The railcar was isolated, and rail traffic was stopped through the area. Personnel did have to shelter-in-place at the wastewater treatment plant. The all clear signal had been sounded prior to the start of the inspection.

In the beginning of October, a styrene release to the Ohio River had been called in. However, after further investigation, it was determined nothing was released to the Ohio River. A styrene barge was being unloaded. There was approximately 200,000 pounds of styrene still left in the barge. There was not enough styrene left in the barge to use the normal unloading line since it had been blown clean. The sump for the vapor collection system was being used instead. This line was plugged. When the plug was being removed, approximately 2 pounds of styrene spilled. It appeared, from initial reports, to be spilled into the Ohio River. After reaching the barge, staff found the catch pan and the water in the catch pan had overflowed, and spilled onto the top of the barge. The spill containment for the barge captured the styrene, and nothing reached the Ohio River. The containment worked as designed.

The facility's new NPDES permit has been issued. The permit becomes effective on November 1, 2012.

INEOS CEI -- Page 2

The two process outfalls were observed. Outfall 001 is underwater with a diffuser. Outfall 002 was flowing through the weir to the Ohio River. Outfall 002 had been cleaned out since the August 2012 inspection.

Divers inspected outfall 001 on August 13, 2012. Written notification of the inspection was provided.

The plant shutdown is scheduled for the second week in November. During this shutdown, the primary Dissolved Air Flotation (DAF) Unit will be rewelded, and the coating will be inspected. Currently, the facility is replacing the lines at the lift station with structural steel. In addition, a waste sludge line is being routed to the pH neutralization tank. This should help reduce the hydrogen sulfide and ammonia. Next year, the facility is planning to recoat the #2 tank. The primary polymer addition is switching back to an automatic feed. Currently, the sludge is being moved using a screw pump. The facility is going back to using the belts to load the sludge into the dumpsters for disposal.

The major focus of this inspection was the proposed nitrogen plant being installed by Air Products at the INEOS facility. It is unclear at this time exactly what Air Products will be doing for permits. There is a proposal to put in a concrete pad for the equipment. There will be 55 gallon drums on the pad in containment tanks. There will be a compressor which uses oil. This would be put under a roof with a plastic curtain around it to minimize storm water contact. The condensate would be collected. There will also be a unit with fans using a glycol. The glycol would be dyed, and the unit would have a dike around it. It also appears Air Products has proposed the pad would be surrounded by a gravel trench. If any material would be spilled or leak, they would let the material go into the trench and then clean out to gravel. This option is not the preferred option for Ohio EPA. The Village of Addyston has its drinking water well on the property. This area appears to be within the five year time of travel in the Source Water Assessment Plan (SWAP). A copy of the SWAP was provided to Jessica Reece in an email. In addition, this would have the potential of being a Class V injection well. Additional specific information would be needed to make this determination. Other options discussed at the inspection included the possibility of a batch tank that would discharge to MSD of Greater Cincinnati, or including the discharges in INEOS' NPDES permit. In order to discharge under INEOS' NPDES permit, the permit would have to be modified. Anti-degradation would apply to this new discharge. In addition, the wastewater associated with this process would be covered under the effluent limitation guidelines, 40 CFR 415 Subpart AW. At this point, INEOS would be liable for any violations caused by Air Products. INEOS should continue to work with Ohio EPA on this matter.