

DEC 18 2009

Ms. Elizabeth Casciani
Vice President, Operations and Services
Praxair, Inc.
39 Old Ridgebury Rd.
Danbury, CT 06810

Re: CPF No. 4-2008-1019

Dear Ms. Casciani:

Enclosed is the Final Order issued in the above-referenced case. It withdraws the allegation of violation and the proposed compliance order specified in the Notice. This case is now closed. Service of this document is in accordance with 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. R. M. Seeley, Director, Southwest Region, PHMSA

Mr. James R. Ryan
Pipeline Regulatory Compliance Manager
Praxair, Inc.
203 Valle Vista Court
Minooka, IL 60447

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7005 0390 0005 6162 5265]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)	
In the Matter of)	
)	
Praxair, Inc.,)	CPF No. 4-2008-1019
)	
Respondent.)	
_____)	

FINAL ORDER

On June 16–20, 2008, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Praxair, Inc. (Praxair or Respondent) in Deer Park, Texas. Respondent operates approximately 325 miles of natural gas pipelines, primarily in Texas, including a 232-mile pipeline between Deer Park, Texas, and Lake Charles, Louisiana.

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated November 17, 2008, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed a violation of 49 C.F.R. Part 192 and proposed ordering Respondent to take certain measures to correct the alleged violation.

Respondent responded to the Notice by letter dated December 16, 2008 (Response). Respondent contested the allegation of violation and the proposed compliance order. Respondent did not request a hearing, and therefore has waived its right to one.

WITHDRAWAL OF ALLEGATION

The Notice alleged that Respondent violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.481, which states:

§ 192.481 Atmospheric corrosion control: Monitoring.

(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months
Offshore	At least once each calendar year, but with intervals not exceeding 15 months

(b) During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

(c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by § 192.479.¹

The Notice alleged that Respondent violated § 192.481(b) and (c) by failing to give particular attention to certain pipeline features during atmospheric corrosion inspections, and by failing to provide protection against corrosion found during such inspections. Specifically, the Notice alleged there were several areas of piping, flanges, and other components, such as valve assemblies at highways, Valve Numbers 73, 1410, 563, and 46, and portions of the booster station at Deer Park, that exhibited heavy atmospheric corrosion. The Notice further alleged that Praxair did not provide documentation that the company had performed “monitoring for atmospheric corrosion” at these sites.²

In its Response, Respondent contended that it had inspected the subject valve stations quarterly during regularly scheduled right-of-way and leak survey patrols, including only a couple months prior to the OPS inspection. Respondent also explained that the corrosion observed on the named valve stations during the OPS inspection had been documented on the recent patrol records. Respondent submitted the patrol reports to support its contention.

Respondent further explained that the corroded areas on the in-service pipe had been inspected to determine depth of corrosion, and calculations had been made to determine the remaining strength of the pipe. The calculations indicated that the corrosion was not severe enough to jeopardize pipeline operations. Respondent submitted the corrosion inspection and analysis reports to support its explanation. Respondent also argued that it had scheduled remediation of the corrosion, that coating remediation was underway at the time of the OPS inspection. Respondent submitted contractor invoices for painting to support this contention.

Respondent also indicated that the areas with the worst corrosion observed during the OPS inspection were valve station bypass lines, which were out of service, purged, and isolated at the time of the OPS inspection. In fact, those bypass lines had been out of service since pipeline startup in 2002. Praxair had made a decision to remove such pipelines, and therefore they were not repainted. Work had already been started to remove the bypass sections at the time of the

¹ The Notice misidentified § 192.481(b) and (c) as “(a)” and “(b),” respectively.

² Notice at 2.

OPS inspection. Respondent submitted contractor quotes, invoices and a photo of a bypass line to support its position.

Section 192.481 requires that pipeline operators inspect each onshore pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but within intervals not exceeding 39 months. During the inspections, an operator must give particular attention to certain pipeline features, such as pipe at soil-to-air interfaces, under thermal insulation, under disbanded coatings, and at pipe supports. If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion.

Although the Notice alleged that Respondent violated § 192.481 by failing to “monitoring for atmospheric corrosion,” Respondent has submitted documentation demonstrating that the company inspected the subject valve stations a couple months before OPS’s June 2008 inspection. The corrosion that had been observed during the OPS inspection, had already been documented on Praxair’s patrol records dated April and May 2008 and the company had already begun to remediate the corrosion at the time of the OPS inspection as demonstrated by contractor invoices. In addition, the worst corrosion observed was on several bypass lines that had been removed from service and Respondent had already begun to remove such bypass sections at the time of the OPS inspection, as demonstrated by work quotes dated May 2008.

The evidence produced by OPS in the Pipeline Safety Violation Report, dated November 17, 2008, consists of Praxair’s written procedures for conducting atmospheric corrosion inspections and for remediating corrosion, but the Violation Report provides no further evidence to demonstrate either that Respondent failed to give particular attention to the pipeline features specified in § 192.481(b) or that it failed to provide protection against any corrosion found, as specified in § 192.481(c).

Accordingly, after considering all the evidence, I find that the record does not contain a sufficient basis for this probable violation. Based upon the foregoing, I hereby withdraw Item 1. As a consequence, the terms of the proposed compliance order associated with Item 1 are also withdrawn.

The terms and conditions of this Final Order are effective upon service.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued