



NAIG Operations Engineering

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CERTIFIED MAIL – RETURN RECEIPT REQUESTED

December 16, 2008

Mr. R.M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 S. Gessner, Suite 1110
Houston, TX 77074



Ref: CPF 4-2008-1019, Notice of Probable Violation

Dear Mr. Seeley,

Praxair has reviewed the subject Notice of Probable Violation and contests the Proposed Compliance Order, although we are not requesting an oral hearing. Please re-evaluate the findings after consideration of the enclosures and our comments, below.

The subject valve stations were inspected for corrosion as part of the regularly scheduled Quarterly ROW and Leak Survey Patrols that were performed prior to the PHMSA inspection. (Enclosure #1: Patrol reports)

Corrosion on the named valve stations was documented on the patrol records. The corroded areas on the in-service pipe were further inspected to determine depth of corrosion, and calculations were made to determine the remaining strength of the pipe, based on the depth of corrosion. None of the corrosion was severe enough to jeopardize pipeline operations. (Enclosure #2: Corrosion inspection and analysis reports)

Having completed the inspections and analysis of the corrosion, coating remediation was underway at the time of the PHMSA inspection. (Enclosure #3: Painting contractor invoices)

Several of the valve stations have bypass lines, which were the areas with the worst corrosion, however, these pipe sections were isolated out of service and purged at the time of the inspection, and had been out of service since pipeline startup in 2002. A decision was made when the repainting was started that they would be removed, and therefore not painted. Work had been started, but not completed, to remove these bypass sections. (Enclosure #4: Mechanical contractor quotes and invoice, photo of a bypass line)

With respect to the Compliance Order, we think our comments, corroborated by the supporting documents, demonstrates that Praxair was in the process of meeting the



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requirements of §192.481 (and therefore in compliance with it) at the time of the PHMSA inspection. In-service piping had been inspected for atmospheric corrosion during the Quarterly patrols, patrol findings were subsequently investigated, and painting was underway. The patrols, inspections, and arrangements for painting had been made well before we received notice of the PHMSA inspection. While there was certainly corrosion on the bypass lines at some valve stations, these lines were purged out of service (as they had been since 2002), and scheduled for removal. Since the bypass lines were not in service, their removal was given a low priority.

We will expedite removal of the remaining bypass lines to have all of them removed by 1/31/08.

Cost estimates for the Quarterly patrols, corrosion inspections, painting, and removal of bypasses will be calculated and presented as costs incurred prior to, but not as a result of the PHMSA Compliance Order. Estimates will be submitted within 90 days of receipt of your Final Order.

Costs to review records and prepare responses to the Notice of Probable Violation will be estimated and submitted with the response. Estimates will be submitted within 90 days of receipt of your Final Order.

We think the "La Porte booster station at Deer Park" is actually the Deer Park compressor, since the PHMSA Inspector did not visit the La Porte compressor. We will complete an inspection report for the Deer Park compressor and perform any required painting prior to 1/31/08.

Respectfully submitted,

James R. Ryan
Pipeline Regulatory Compliance Manager

Enclosure: *Quarterly Patrol Logs*
Corrosion inspection and analysis records
Painting contractor invoices
Mechanical contractor and material requisition records
Photo of a valve station showing bypass line

cc: Elizabeth Casciani, V.P., Operations and Service
Mark Cook, Operations Director, South Region
William Reeves, Pipeline Manager, Gulf Coast Pipeline