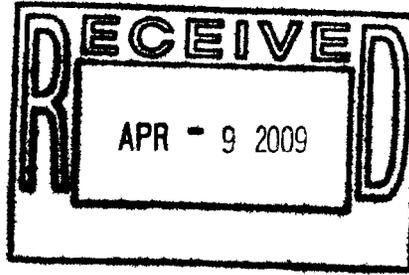


**Air Products and Chemicals, Inc.**  
7201 Hamilton Boulevard  
Allentown, PA 18195-1501  
Telephone (610) 481-4911

PHMSA / Office of Pipeline Safety  
Director, South West Region  
8701 S. Gessner Ste. 1110  
Houston, TX. 77074



April 9, 2009

Ref.: Notice of Amendment  
CPF No. 4-2009-1009M

Attn: Mr. Rodrick M. Seeley / Director - Southwest Region

Dear Mr. Seeley:

Air Products and Chemicals, Inc. (APCI) is in receipt of your March 13, 2009 letter in reference to the subject Chapter 601 / 49 CFR Integrity Management Program (IMP) inspection and findings notice referenced above.

In response to your findings of specific Code sections defined in your letter, we submit the following remediation plan and implementation time table..

During the inspection, it was noted by PHMSA that APCI had initiated efforts to improve the IMP, including additional process description and clarity to the APCI risk assessment model. As part of the continuous improvement process, APCI is in the process of further revising the IMP to address the remaining issues that were identified during the inspection and to implement a full third party risk assessment model provided by Dynamic Risk Assessment Systems, Inc. The following information is intended to convey the actions APCI is taking to address PHMSA concerns outlined in the Notice of Amendment. APCI intends to complete the following action items within 120 days of this response. Upon completion, APCI will forward a copy of the revised integrity management program to PHMSA for review.

APCI Risk Assessment Approach:

Several issues were identified in the Notice of Amendment concerning the APCI risk model. APCI has engaged the services of a third party service provider (Dynamic Risk Assessment Systems, Inc.) to assist with the conversion to the industry accepted and state of the art risk assessment process. APCI is now in the process of converting the APCI risk assessment process to the Dynamic Risk methodology.

This revised risk assessment process will evaluate risks associated with the entire pipeline segment for each line in its entirety on an annual basis. Outputs from the updated risk assessment will enable APCI to evaluate HCA segment threats and associated risks in much more granular detail and apply similar analysis to non-HCA segments as well. This risk assessment model has been used successfully by many other gas pipeline operators and has proven to be a very robust and satisfactory approach.

Subject matter experts working with service provider experts have begun the process of evaluating the risk model algorithms, including threat and consequence factors prescribed in Part 192 Subpart O. Stress Corrosion Cracking and Internal Corrosion threats will now be included in the updated risk model. Risk weighting factors will be reviewed and input to the risk model for all threat and consequence scores as part of a collaborative effort by APCI subject matter experts and the third party service providers. Risk model outputs will be validated by APCI subject matter experts and the risk model service providers. The APCI IMP will be updated to reflect the revised risk assessment process, including data input process description and periodic (annual) evaluation of risks.

Risk assessment outputs will facilitate identification of interactive threats that may be present in certain pipeline segments. The APCI IMP annual risk evaluation process will include a review of the risk outputs to query whether these interactions are of concern.

APCI and the third party service provider will conduct a data review workshop as part of the implementation of the updated risk assessment process. This will include a detailed review of existing data in the APCI GIS database, provided by the vendor Coler & Colantonio and known as Intrepid. The evaluation of the data quality by the risk model service provider will include a determination of the most appropriate means for exporting this data to the risk assessment model. During implementation of the new risk assessment model and as new data is added in the future, data will be reviewed by APCI and third party service providers to ensure missing or unsubstantiated data is adequately addressed, including the possibility of assigning more conservative risk scores to missing or unsubstantiated data.

APCI IMP Improvements:

Several issues were identified in the Notice of Amendment concerning the APCI IMP. As noted during the inspection, APCI had already begun the process of amending the IMP presented at the time of the inspection. Since the inspection, APCI has made several changes to the IMP to address items identified by PHMSA. Since receiving the Notice of Amendment, APCI has initiated a review and update processes to ensure all areas of concern have been adequately addressed in the written IMP. These changes to the IMP include additional process description and refinements in areas identified in the Notice of Amendment, such as:

- Risk Assessment
- External Corrosion Direct Assessment
- Continual Evaluation and Assessment
- Preventative and Mitigative Measures
- Record Keeping
- Management of Change
- Quality Assurance

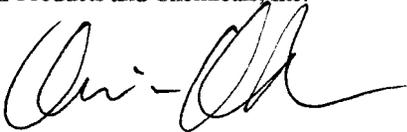
As stated above, updates to the IMP are expected to be completed within 120 days of this response. Once complete, APCI will submit a copy of the revised IMP for PHMSA review.

We trust that the proposed plan revisions and additions to our IMP procedures meet with your approval and satisfy the intent of the specific 49 CFR Part 192 sections in question.

Please feel free to contact me with any additional information requests or comments.

Sincerely,

Air Products and Chemicals, Inc.



Kevin Kosh  
Global Pipeline Operations Manager



David Williams  
Pipeline Integrity Program Manager  
NACE, CPS