

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 14, 2015

Mr. Mike Jordan
Vice President, Hydrogen Business NAIG HyCO
Praxair, Inc
1585 Sawdust Road
Suite 300
The Woodlands, TX 77380

CPF 4-2015-1004M

Dear Mr. Jordan:

On October 20-24, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Praxair, Inc. procedures for operations and maintenance in La Porte, TX.

On the basis of the inspection, PHMSA has identified an apparent inadequacy found within Praxair's plans or procedures, as described below:

- 1. §192.459 External corrosion control: Examination of buried pipeline when exposed.**

Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If external corrosion requiring remedial action under Secs. 192.483 through 192.489 is found, the operator shall investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

Praxair's procedures did not specify that if external corrosion is found requiring remedial action, further investigation beyond the exposed portion will be conducted to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

Praxair procedure 32.2 *External Inspection of Exposed Pipe* states:

“Whenever a portion of an underground pipeline is exposed, the exposed portion shall be examined for evidence of external corrosion and deteriorating coating. Inspection results shall be reported using the exposed pipe inspection report. Exposed pipe shall be photographed, as required, to document pipe condition.

If evidence of external corrosion is found, the area must be cleaned, and the actual wall thickness shall be determined using an ultrasonic thickness gauge. The RStreng or 831 G calculation method shall be applied to determine the strength of the remaining wall”

Praxair should amend their procedure to include if external corrosion is found requiring remedial action, investigate circumferentially and longitudinally beyond the exposed portion of pipe to determine if there is additional corrosion requiring remedial action.

Praxair submitted the amended procedure to this office on October 31, 2014. The procedure was reviewed by PHMSA staff and found to be adequate. No further action is required.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Praxair maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2015-1004M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*