



May 25, 2018

VIA OVERNIGHT MAIL

Mary L. McDaniel
Director, Southwest Region
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
8701 S. Gessner, Suite 630
Houston, TX 77074

Subject: Response to CPF-4-2018-5007

Dear Ms. McDaniel,

I am respectfully responding to your letter dated April 27, 2018, in which you requested notification that all violations had been corrected for **CPF-4-2018-5007**. Indorama Ventures Olefins, LLC (IVOL) is submitting this letter in response to the alleged violations:

Document Number: CPF-4-2018-5007

Item #1: 195.403(b)(1) Emergency Response Training

Violation Description: Indorama Ventures Olefins, LLC failed to conduct and document emergency response personnel performance reviews to meet the objectives of the emergency response training program at the required interval of once each calendar year, not to exceed 15 months. Indorama would not provide any documentation to support that they conducted emergency response personnel performance reviews at the required intervals.

Indorama Response: IVOL understands that PHMSA does not recognize "idle" pipelines but because this pipeline has not had ethylene or any other hazardous liquid in a number of years, no emergency response training had been conducted on this product. However, because it is still considered an "active" ethylene pipeline, IVOL has updated its Emergency Response Training procedure to comply with this requirement. See attached **Exhibit 1** for supporting documentation. This training will be conducted once each calendar year, not to exceed 15 months moving forward to ensure compliance. Assuming that PHMSA accepts the attached procedure, IVOL will conduct and document reviews of emergency response personnel's performance within sixty (60) days of receipt of PHMSA's Final Order and provide documentation to PHMSA in support of same.

Item #2: 195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?



(a) You must electrically isolate each buried or submerged pipeline from other metallic structures, unless you electrically interconnect and cathodically protect the pipeline and the other structures as a single unit.

Violation Description: Indorama Ventures Olefins, LLC failed to determine whether each buried pipeline was electrically isolated from other metallic structures. Indorama's Corrosion Control Procedure, Section 10 of the Liquid Pipeline Operations, Maintenance & Emergency Manual, did not include any guidance regarding electrical isolation of each buried or submerged pipeline from other metallic structures. The verbiage from the code section §195.575(a) as inserted into Section 10 Corrosion Control Procedure during the inspection after it was brought to Indorama's attention by the PHMSA Inspector. The code section added does not constitute a procedure as required by §195.402(c)(3) and did not include Indorama specific guidance on devices to accomplish electrical isolation, installation of these isolation devices, precautions to be taken during installation, or instructions for inspection and electrically testing each isolation to assure the isolation is adequate.

Indorama Response: IVOL revised the electrical isolation procedure in Section 10.8 of the Operations, Maintenance, and Emergency Manual to provide detailed guidance for personnel to determine when and how to accomplish electrical isolation. See attached **Exhibit 2** for supporting documentation.

Item #3: 195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?

(e) If a pipeline is in close proximity to electrical transmission tower footings, ground cables, or counterpoise, or in other areas where it is reasonable to foresee fault currents or an unusual risk of lightning, you must protect the pipeline against damage from fault currents or lightning and take protective measures at insulating devices.

Violation Description: Indorama Ventures Olefins, LLC failed to determine when protection from fault currents and lightning strikes is required and when protective measures must be taken to protect the pipeline against damage. Indorama's Corrosion Control Procedure, Section 10 of the Liquid Pipeline Operations, Maintenance & Emergency Manual, did not include any guidance regarding pipelines that may be in close proximity to electrical transmission tower footings, ground cables, or counterpoise, or pipelines that are at risk of being exposed to lightning strikes. The verbiage from the code section §195.575(e) was inserted into Section 10 Corrosion Control Procedure during the inspection after it was brought to Indorama's attention by the PHMSA Inspector. The code section added does not constitute a procedure as required by §195.402(c)(3) and did not include Indorama specific guidance for personnel to determine when protection from fault currents and lightning strikes is required to protect the pipeline and other devices or any mitigating steps taken to protect the pipeline and devices that could be affected by fault currents and lightning.

Indorama Response: IVOL revised the electrical isolation procedure in Section 10.8 of the Operations, Maintenance, and Emergency Manual to provide detailed guidance for personnel to determine when and how to accomplish electrical isolation. See attached **Exhibit 2** for supporting documentation. However, the pipeline is (i) capped at both ends; (ii) not connected directly to any other metallic or above ground structure; (iii) not in close proximity of any electrical transmission tower footings, ground cables, or counterpoise; and (iii) there are no areas where it is reasonable to foresee fault currents or an unusual risk of lightning. As a result, IVOL does not find a reason to install any insulating devices as the annual Cathodic Protection Surveys and the bi-monthly rectifier readings show that adequate levels of cathodic protection are maintained. See **Exhibit 3** for supporting documentation.



Assuming that PHMSA accepts the explanation above, do the annual Cathodic Protection Surveys and the bi-monthly rectifier readings provide PHMSA with support that IVOL is conducting inspections to ensure the pipeline is protected from fault currents and/or lightning? If not, IVOL will proceed with any suggestions PHMSA has to satisfy this item within ninety (90) days of receipt of PHMSA's Final Order and provide documentation to PHMSA in support of same. But at this time there are no insulation devices to inspect.

IVOL is committed to full compliance with the requirements of PHMSA and appreciates your consideration in this matter. Please let me know if you have any questions or require additional information. I can be reached at (337) 476-9237 and Saswati.Biswas@us.indorama.net.

Sincerely,

A handwritten signature in blue ink that reads "Saswati Biswas".

Saswati Biswas

Chief Financial Officer

INDORAMA VENTURES OLEFINS, LLC

Indorama Ventures Olefins LLC

(A subsidiary of Indorama Ventures Public Company Limited)
4300 Hwy 108, Westlake, La. 70669, PO Box 2689 Sulphur La 70664
www.indoramaventures.com