

DECEMBER 14, 2012

Mr. John E. McGlade
Chairman, President and Chief Executive Officer
Air Products and Chemicals, Inc.
7201 Hamilton Blvd.
Allentown, PA 18195

Re: CPF No. 5-2012-0015

Dear Mr. McGlade:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that Air Products & Chemicals, Inc., has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 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. Chris Hoidal, Director, Western Region, OPS
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

In the Matter of)	
)	
Air Products and Chemicals, Inc.,)	CPF No. 5-2012-0015
)	
Respondent.)	
)	

FINAL ORDER

Between March 14, 2012, and March 16, 2012, 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 Air Products and Chemicals, Inc. (Air Products or Respondent), in Wilmington, California, and Carson, California. Air Products operates seven hydrogen gas pipelines in Wilmington and Carson, spanning 13.95 total miles. Eleven high consequence area (HCA) locations are identified in the Wilmington and Carson areas. Two pipeline employees are working at the Wilmington plant.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated May 25, 2012, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Air Products had violated 49 C.F.R. § 192.935(a) and proposed ordering Respondent to take certain measures to correct the alleged violation.

Air Products responded to the Notice by letter dated June 20, 2012 (Response). The company did not contest the allegation of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, Air Products did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.935(a), which states:

§ 192.935 – What additional preventative and mitigating measures must an operator take?

- (a) *General requirements.* An operator must take additional measures beyond those already required by Part 192 to prevent a pipeline failure and to mitigate the consequences of a pipeline failure in a high consequence area. An operator must base the additional measures on the threats the operator has identified to each pipeline segment. (See § 192.917) An operator must conduct, in accordance with one of the risk assessment approaches in ASME/ANSI B31.8S (incorporated by reference, see § 192.7), section 5, a risk analysis of its pipeline to identify additional measures to protect the high consequence area and enhance public safety. Such additional measures include, but are not limited to, installing Automatic Shut-off Valves or Remote Control Valves, installing computerized monitoring and leak detection systems, replacing pipe segments with pipe of heavier wall thickness, providing additional training to personnel on response procedures, conducting drills with local emergency responders and implementing additional inspection and maintenance programs.

The Notice alleged that Respondent violated 49 C.F.R. § 192.935(a) by failing to take additional measures beyond those already required by Part 192 to mitigate the consequences of a failure in an HCA. Specifically, the Notice alleged that six mobile trailers were parked on top of the Air Products CG-102 Line inside the Tesoro Refinery in Carson. The trailers were being used for office space for Tesoro contractor personnel working at the refinery.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.935(a) by failing to take additional measures beyond those already required by Part 192 to mitigate the consequences of a failure by allowing six trailers to remain parked on the CG-102 line.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for a violation of 49 C.F.R. § 192.935(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 192.935(a) (**Item 1**), Respondent has moved the six trailers to another location within Tesoro's refinery. The trailers are no longer located on top of the Air Products CG-102 hydrogen pipeline.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued