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November 8, 2024

Mr. Bryan Jeffery Lethcoe
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 S. Gessner Road, Suite 630
Houston, TX 77074

RE: CPF 4-2024-045-NOPV NOTICE OF PROBABLE VIOLATION AND PROPOSED COMPLIANCE ORDER –
OPERATOR RESPONSE

Dear Mr. Lethcoe,

On October 21, 2024, the Pipeline and Hazardous Materials Administration (PHMSA) Southwest Region issued CPF 4-2024-045 Notice of Probable Violations (NOPV) and Proposed Compliance Order (PCO) to Air Products & Chemicals Inc.'s (Air Products). The NOPV was issued following inspections conducted by PHMSA of the Air Products hydrogen gas pipeline system in Los Angeles County, California from June 20 through September 27, 2023. Below are the 3 NOPVs given and the response for each one.

1. § 192.491 Corrosion control records. (a) . .

(c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years with the following exceptions:

(1) Operators must retain records related to §§ 192.465(a) and (e) and 192.475(b) for as long as the pipeline remains in service.

(2) Operators must retain records of the two most recent atmospheric corrosion inspections for each distribution service line that is being inspected under the interval in § 192.481(a)(2).

Air Products failed to maintain a record of each test, survey, or inspection required by Part 192, Subpart I in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist in accordance with § 192.491(c). Specifically, Air Products failed to maintain records to demonstrate compliance with the atmospheric corrosion control requirements at § 192.481(a) for Line 1006.

During the PHMSA inspection, Air Products failed to provide records demonstrating that an atmospheric corrosion inspection had been conducted on Line 1006 for calendar year 2019. This pipeline was inspected on March 31, 2022, however no record of the previous 3-year inspection was provided. This pipeline has been in active service for at least the past 5 years. Pursuant to § 192.491(c) these records must be retained for at least 5 years.

Air Products Response:

Air products is not contesting NOPV Item #1, this issue was identified by Air Products while performing atmospheric survey inspections in 2022. During the survey on pipeline 1006 a valve pen that is part of the survey was identified as not having a PM. A PM was created for the valve pen, and it will now have a record for every survey going forward.

2. § 192.616 Public awareness.

(a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, *see* § 192.7).

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

Air Products failed to implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 in accordance with § 192.616(a). Specifically, Air Products failed to determine if any changes were necessary after conducting an effectiveness review of its public awareness program (PAP) in accordance with section 5.9.1 and 5.10 of its *Pipeline Public Awareness Program (PAP):34- 110301AM (Rev 11; June 27, 2024)*; and API RP 1162 section 2.6, step 12.

Air Products conducted an effectiveness review of its PAP, referred to as the *Four-Year Effectiveness Evaluation (Apr. 25, 2022)*. This evaluation included "Key Findings" and "Considerations." However, Air Products failed to review the "Key Findings" and "Considerations" and determine if any changes were necessary to improve the effectiveness of its PAP as required by section 5.9.1, 5.10 and API RP 1162 section 2.6, step 12.

Air Products Response:

Air products did perform a review the Four-Year Effectiveness Evaluation (Apr. 25, 2022) on June 8, 2022 (*see attached documents: 2022_Documentation_Review_Meeting.pdf*). During this review the "Key Findings" and "Considerations" were reviewed, and it was determined there were no changes that were needed to improve the PAP. If a change would have occurred due to this review it would be captured in the Air Products MOC process. Since the audit Air Product has improved its process so that the "Key Findings" and "Considerations" will have documentation on if or if not, changes were needed and why. The document that Air Products plans on using has been attached as well. (See: Blank Assessment Form)

3. § 192.907 What must an operator do to implement this subpart?

(a) General. No later than December 17, 2004, an operator of a covered pipeline segment must develop and follow a written integrity management program that contains all the elements described in § 192.911 and that addresses the risks on each covered transmission pipeline segment. The initial integrity management

program must consist, at a minimum, of a framework that describes the process for implementing each program element, how relevant decisions will be made and by whom, a time line for completing the work to implement the program element, and how information gained from experience will be continuously incorporated into the program. The framework will evolve into a more detailed and comprehensive program. An operator must make continual improvements to the program.

Air Products failed to follow its written integrity management program in accordance with § 192.907(a). Specifically, Air Products failed to complete a questionnaire to select an appropriate inline inspection tool (ILI) in accordance with section 5.1.3 of its *Pipeline Integrity Management In-Line Inspection Plan: 34-0754 (Rev. 4; June 27, 2024)*.

Air Products failed to provide the completed ILI vendor questionnaire or otherwise indicate it completed the questionnaire.

Air Products Response:

During the audit and in the preliminary findings Air Products does not recall being asked to provide a questionnaire in accordance with section 5.1.3 of the Air Products Pipeline Integrity Management In-Line Inspection Plan: 34-0754 (Rev 4; June 27, 2024). Instead, it was asked to provide ILI specifications and established criteria. Attached to this email is the questionnaire (TDW Questionnaire_AP PipelineID186.docx) that was filled out and provided to the vendor as well as the email (RE External BP Refinery to Exxon Mobil.msg) chain where it was provided to them on April 15, 2019.

If there are any questions concerning to the information contained in this response or of the attachments, please do not hesitate to contact me.

Sincerely,



J.W. Riley
Compliance Manager North American Pipelines
Air Products

Attachments: 2022_Documentation_Review_Meeting.pdf
Blank Assessment Form.doc
RE External BP Refinery to Exxon Mobil.msg
RE External BP Refinery to Exxon Mobil email.pdf
TDW Questionnaire_AP PipelineID186.docx