

Air Liquide Industrial U.S. LP

Gary Babish
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Ref. No. Docket PG-090041

May 8, 2009

Anne F. Soiza
Pipeline Safety Director
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Re: 2009 Hydrogen Pipeline Standard Inspection – Kalama, Washington Facility
Ref. No. Docket PG-090041

Dear Madam:

Air Liquide Industrial U.S. LP (ALIUS) has received and reviewed your letter dated April 9, 2009 regarding Ref. No. Docket PG-090041 and pursuant to your request, ALIUS now submits its proper response in writing.

ALIUS has reviewed the following four probable violations of Title 49, CFR Part 192, 199 and WAC 480-93 which were noted as a result of the inspection of the ALIUS – Kalama, Washington facility. The inspection included a records review, operations and maintenance (O&M) manual review, review of the Alcohol/Drug Misuse Prevention Plan and inspection of the pipeline facilities.

Actions to address the probable violations and our intent to bring the probable violations into full compliance are as follows:

PROBABLE VIOLATIONS

1. 49 CFR § 192.603(b) General provisions – *Each Operator shall keep records necessary to administer the procedures established under 49 C.F.R. § 192.605.*

Finding(s): 49 CFR § 192.605(b)(8) - Procedures require that work done by operator personnel to determine the effectiveness and adequacy of procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.

Response/Corrective Action: ALIUS has a procedure in its O&M manual to comply with this requirement. However, there were no records presented during the inspection to show that this was done. ALIUS negligently failed to correctly document these procedures and ALIUS deeply regrets its failure to properly follow these record keeping procedures. The inaction of ALIUS to properly record and keep these records was not intentional. ALIUS will conduct proper training for the local Kalama, WA staff in order to follow proper recording procedures in the future. Records will be properly kept and recorded to document all work done by operator personnel to determine the effectiveness and

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adequacy of procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.

2. WAC 480-93-180 (1) Plans and Procedures – *Each gas pipeline company must have and follow a gas pipeline plan and procedures manual for operation, maintenance, inspection and emergency response activities that is specific to the gas pipeline company's system. The manual must include plans and procedures for meeting all applicable requirements of 49 CFR §§191, 192 and Chapter 480-93 WAC, and any plans or procedures used by gas pipeline company's associated contractors.*

Finding(s):

- a. 49 CFR § 192.55 Steel Pipe – A review of the O&M Manual revealed that several required items were not included in the O&M manual: “Steel Pipe”

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. This item will be added to the O&M manual and can be found in the revised O&M manual Page 192.105.

- b. 49 CFR § 192.150 Passage of Internal Inspection Devices – A review of the O&M Manual revealed that several required Items were not included in the O&M manual: “Passage of Internal Inspection Devices”

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. This item will be added to the O&M manual and can be found in the revised O&M manual Page 192.711.

- c. 49 CFR § 192.179 Transmission Line Valves – A review of the O&M Manual revealed that several required items were not included in the O&M manual: “Transmission Line Valves”

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. This item will be added to the O&M manual and can be found in the revised O&M manual Page 192.105.

- d. 49 CFR § 192.463 External Corrosion Control: Cathodic Protection – (Criteria needs to reflect appendix D considering IR drop) - A review of the O&M Manual revealed that several required items were not included in the O&M manual: “External Corrosion Control: Cathodic Protection – (Criteria needs to reflect appendix D considering IR drop)”

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. This item will be added to the O&M manual and can be found in the revised O&M manual Page 192.455.

- e. 49 CFR § 192.469 External Corrosion Control: Test Stations - A review of the O&M Manual revealed that several required items were not included in the O&M manual: “External Corrosion Control: Test Stations”

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. This item will be added to the O&M manual and can be found in the revised O&M manual Page 192.469.

f: WAC 480-93-013 Covered Tasks - A review of the O&M Manual revealed that several required items were not included in the O&M manual: "Covered Tasks"

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. This item was corrected with Washington State Cross reference. The Operations Qualification (OQ) program will be updated to include a statement that in the State of Washington construction tasks are considered OQ Covered Tasks.

3. 49 C.F.R. § 190.209 *Alcohol Misuse Plan – Each operator must maintain and follow a written alcohol misuse plan that conforms to the requirements of this part and DOT Procedures concerning alcohol testing programs. The plan shall contain methods and procedures for compliance with all the requirements of this subpart, including required testing, recordkeeping, reporting, education and training elements.*

Finding: A review of Air Liquide's Pipeline Alcohol/Drug Misuse prevention Plan revealed one missing item. This item is: a) Post accident testing as soon as practicable.

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. ALIUS' internal Alcohol and Drug Misuse policies were amended to include this item in section 6.2 of the revised plan.

4. 49 C.F.R. § 199.101 (a)(1) *Anti-Drug Plan – Each Operator shall maintain and follow a written anti-anti-drug plan that conforms to the requirements of this part and the DOT Procedures. The plan must contain – (1) Methods and procedures for compliance with all the requirements of this part, including the employee assistance program.*

Finding(s):

a. 49 C.F.R. §199.11 (d) requires that because of the possibility that some analysis may deteriorate during storage, the results of a retest are to be reported as confirmation of the original test results if the detected level of the drug are (a) below the DOT established limits and, (b) equal to or greater than the sensitivity of the test.

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. ALIUS internal Alcohol and Drug Misuse policies were amended to include this item in section 13 of the revised plan.

b. 49 C.F.R. §199.119 (a) – requires that the plan make provisions for submitting an annual MIS report to PHMSA no later than March 15 of each year for the prior calendar year.

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. ALIUS internal Alcohol and Drug Misuse policies were amended to include this item in section 1.2.1 of the revised plan.

c. 49 C.F.R. §199.119 (d) – requires that if a service agent is used, testing is to be at an appropriate percentage established for the industry and only covered employees are in a random testing pool.

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. ALIUS internal Alcohol and Drug Misuse policies were amended to include this item in section 4.2.3.2 of the revised plan.

d. 49 C.F.R. §199.119 (e) – requires that covered employees who perform multi-DOT agency functions count only on the MIS report for the DOT agency under which he or she is randomly tested.

Response/Corrective Action: ALIUS was negligent in not having this item available for review during the inspection. ALIUS internal Alcohol and Drug Misuse policies were amended to include this item in section 16.4.5 of the revised plan.

ALIUS regrets that the foregoing issues occurred, and is taking affirmative steps to ensure that they do not recur. Also, we trust that the information provided to you herein fully responds to your request. If you have any questions, please feel free to contact me at 801-523-8708 ext. 18.

Sincerely,



Gary L. Babish
ALIUS PP WZ Operations Manager