



STATE OF WASHINGTON

**UTILITIES AND TRANSPORTATION COMMISSION**

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*Sent Via Email and Electronic Return Receipt Mail*

August 27, 2018

Grayson Taylor  
Manager, Fleet Safety Programs  
AIRGAS Merchant Gas Kalama  
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Houston, TX 77041  
[grayson.taylor@airgas.com](mailto:grayson.taylor@airgas.com)

**RE: 2018 Hydrogen Gas Standard Inspection – AIRGAS Merchant Gas Kalama  
(Insp. No. 7574)**

Dear Mr. Taylor:

Staff from the Washington Utilities and Transportation Commission (staff) conducted a Standard Inspection of AIRGAS Merchant Gas Kalama (Airgas) from Jul. 24-30. This inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates **four** probable violations as noted in the enclosed report. We also noted one area of concern, which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

**Your response needed**

Please review the attached report and respond in writing by Sept. 28. The response should include how and when you plan to bring the probable violations into full compliance.

**What happens after you respond to this letter?**

The attached report presents staff's decision on probable violations and does not constitute a finding of violation by the commission at this time.

After you respond in writing to this letter, there are several possible actions the commission, in its discretion, may take with respect to this matter. For example, the commission may:

- Issue an administrative penalty under RCW 81.04.405; or
- Issue a complaint under RCW 81.88.040, seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances. Any pipeline company that violates any pipeline safety provision of any commission

order, or any rule in this chapter including those rules adopted by reference, or chapter 81.88 RCW is subject to a civil penalty not to exceed two hundred thousand dollars for each violation for each day that the violation persists. The maximum civil penalty for a related series of violations is two million dollars; or

- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a penalty or complaint in this matter. Should the commission decide to assess a penalty or initiate a complaint, your company will have an opportunity to respond and formally present its position.

If you have any questions or if we may be of any assistance, please contact Derek Norwood at (360) 664-1296. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,



Sean C. Mayo  
Pipeline Safety Director

cc: Scott Moon, Plant Manager, AIRGAS [scott.moon@airgas.com](mailto:scott.moon@airgas.com)

**UTILITIES AND TRANSPORTATION COMMISSION**  
**2018 Hydrogen Gas Pipeline Safety Inspection**  
**AIRGAS Merchant Gas Kalama**

The following probable violations and area of concern of Title 49 CFR Part 191 and WAC 480-93 were noted as a result of the 2018 inspection of AIRGAS Merchant Gas Kalama. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities.

**PROBABLE VIOLATIONS**

1. **49 CFR §191.29(b) National Pipeline Mapping System**

*The information required in paragraph (a) of this section must be submitted each year, on or before March 15, representing assets as of December 31 of the previous year. If no changes have occurred since the previous year's submission, the operator must comply with the guidance provided in the NPMS Operator Standards manual available at [www.npms.phmsa.dot.gov](http://www.npms.phmsa.dot.gov) or contact the PHMSA Geographic Information Systems Manager at (202) 366-4595.*

**Findings:**

Airgas was unable to provide documentation that they had notified NPMS of no changes to their system by March 15 for calendar year 2015 and 2016. Airgas was also unable to provide documentation of their submission to NPMS regarding their name change from Air Liquide Large Industries U.S. LP to AIRGAS Merchant Gas Kalama for calendar year 2017.

2. **WAC 480-93-180(2) Plans and procedures.**

*The manual must be filed with the commission forty-five days prior to the operation of any gas pipeline. Each gas pipeline company must file revisions to the manual with the commission annually.*

**Finding:**

Airgas was unable to provide documentation that they had filed revisions of their gas pipeline plan and procedure manual with the commission annually. The current revision on file at the commission has a revision date of July 2012.

3. **WAC 480-93-200(10)(a) Reporting requirements.**

*Each gas pipeline company must file with the commission the following annual reports no later than March 15 for the preceding calendar year:*

- (a) A copy of every Pipeline and Hazardous Materials Safety Administration (PHMSA) F-7100.1-1 and F-7100.2-1 annual report required by U.S. Department of Transportation, Office of Pipeline Safety.*

**Findings:**

Records show that Airgas submitted their annual report to the commission for 2015 after the March 15 deadline. The annual report was received by the commission on July 13, 2016.

Staff found no record that Airgas has submitted their annual report to the commission for 2017. The annual report for 2017 was due to the commission by March 15, 2018.

4. **WAC 480-93-200(10)(b) Reporting requirements**

*Each gas pipeline company must file with the commission the following annual reports no later than March 15 for the preceding calendar year:*

*(b) A report detailing all construction defects and material failures resulting in leakage. Each gas pipeline company must categorize the different types of construction defects and material failures anticipated for their system. The report must include the following:*

- (i) Types and numbers of construction defects; and*
- (ii) Types and numbers of material failures.*

**Finding:**

Records show that Airgas submitted their Construction Defects & Material Failures Report after the March 15 deadline for 2015, 2016 and 2017. The report for 2015 was received April 22, 2016, the report for 2016 was received March 17, 2017 and the report for 2017 was received July 23, 2018.

**AREAS OF CONCERN OR FIELD OBSERVATIONS**

1. **WAC 480-93-188(5)(f) Gas leak surveys.**

*(5) Each gas pipeline company must keep leak survey records for a minimum of five years. At a minimum, survey records must contain the following information:*

*(f) Instrument tracking or identification number*

**Finding:**

Airgas' leak survey records do not directly identify which instrument was used for the leak survey, making it difficult to determine equipment calibration and equipment identification. A separate document was provided showing equipment ID and calibration but it was unclear if the date shown was the due date or the calibration date and there was nothing linking that separate document to the leak survey form provided.