



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

400 Seventh St. S.W.
Washington, D.C. 20590

DEC 31 2003

Mr. Rick J. Schach
Vice President, Energy Delivery
Vectren Corporation
20 N.W. Fourth Street
Evansville, IN 47708-1724

Re: CPF No. 3-2003-5021

Dear Mr. Schach:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It withdraws three of the allegations of violation and finds that you have completed corrective action to comply with the pipeline safety regulations. This case is now closed and no further enforcement action is contemplated with respect to the matters involved in this case. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Scott Albertson
Director, Technical Services
Vectren Corporation

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

In the Matter of

Vectren Corporation,

Respond

CPF No. 3-2003-5021

FINAL ORDER

On April 16-19, 2002, pursuant to 49 U.S.C. § 60117, representatives of the Office of Pipeline Safety (OPS), and the Ohio Public Utilities Commission conducted an on-site pipeline safety inspection of Respondent's records and manuals of procedures in Englewood, Ohio, in conjunction with a system-type inspection of Respondent's facilities. As a result of the inspection, the Director, Central Region, OPS, issued to Respondent, by letter dated July 30, 2003, a Notice of Probable Violation (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed violations of Part 195 and warned Respondent to take appropriate corrective action. The Notice also proposed, in accordance with 49 C.F.R. § 190.237, that Respondent amend its procedures for operation and maintenance.

Respondent responded to the Notice by letter dated September 19, 2003 (Response). Respondent contested several of the allegations, offered information in explanation of the allegations, and provided information concerning corrective action it has taken. Respondent did not request a hearing, but reserved its right to one.

WITHDRAWAL OF ALLEGATIONS AND NOTICE OF AMENDMENT

Items 1, 2, and 4 of the Notice alleged that Respondent failed to consider a tank at Yankee station to be a breakout tank under 49 C.F.R. Part 195. Consequently, the Notice alleged that Respondent violated the following sections of Part 195, as more fully described in the Notice:

49 C.F.R. § 192.402(a) – failing to prepare written procedures for the operation and maintenance of the breakout tank in compliance with applicable safety regulations under Part 195;

49 C.F.R. § 195.404(a)(1) – failing to maintain current maps and records that identify the tank at Yankee station as a breakout tank subject to Part 195; and

49 C.F.R. § 195.432 – failing to inspect the Yankee station breakout tank at intervals not exceeding 15 months, but at least once each calendar year.

In its response, Respondent asserted that the tank at Yankee station is not a breakout tank as the term is defined in § 195.2. Section 195.2 defines a breakout tank as “a tank used to (a) relieve surges in a hazardous liquid pipeline system or (b) receive and store hazardous liquid transported by a pipeline for reinjection and continued transportation by pipeline.”

Respondent explained that the tank at Yankee station is used to equalize pressure between the liquid propane delivery line and the on-site storage tanks prior to the product being introduced into the peak shaving facility. After peak shaving operations are complete, the liquid propane remaining in the tank is pumped into on-site storage and the tank remains empty until the next operation. A control valve upstream of the process tank regulates the amount of product within the tank. A pump controls the pressure of the supply line to within the line’s maximum operating pressure. The supply line is also equipped with relief valves. As such, Respondent contended that the tank is more accurately defined as a process tank or a process vessel rather than a breakout tank.

Based on the information submitted by Respondent indicating the tank neither relieves surges in the pipeline system, nor receives and stores hazardous liquid for reinjection and continued transportation by pipeline, I find that the subject tank is more accurately designated a process tank or process vessel, rather than a breakout tank. Items 1, 2, and 4 of the Notice are therefore withdrawn.

Consequently, I find Respondent’s procedures do not require amendment as proposed in the Notice of Amendment. Respondent need not take any further action with respect to the matters in this case pertaining to Items 1, 2, and 4.

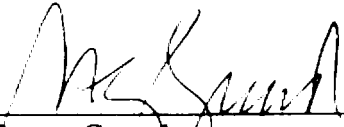
WARNING ITEM

The Notice did not propose a civil penalty or corrective action for Item 3, but warned Respondent that it should take appropriate corrective action to correct the item. The warning was for –

49 C.F.R. § 195.428 – failing to inspect and test the relief valves and thermal reliefs at Todhunter, Yankee, and Belbrook facilities at intervals not exceeding 7½ months, but at least twice each calendar year.

The Regional Director has indicated that Respondent has taken the following corrective actions to address the cited item: Respondent has initiated inspections of the relief devices at 7½-month intervals, but at least twice each calendar year; and Respondent has revised its Operation and Maintenance Plan to require that the relief devices be inspected at 7½-month intervals, but at least twice each calendar year. Respondent is again warned that if OPS finds a violation for this item in a subsequent inspection, enforcement action will be taken.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The terms of the order remain in full effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective on receipt.



Stacey Gerard
Associate Administrator
for Pipeline Safety



Date Issued