

IURC News Release

Indiana Utility Regulatory Commission

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IURC Levies Maximum Penalty on Vectren North for Pipeline Safety Violations; Utility Fined \$100,000

INDIANAPOLIS – The Indiana Utility Regulatory Commission (IURC), under Cause No. 44177, fined Vectren North \$100,000 concerning violations of Indiana statutes and federal pipeline safety standards during an excavation project on November 8, 2011.

The four violations addressed include the following: 1) failure to follow proper boring protocol; 2) failure to follow proper notification protocol; 3) failure to follow proper leak investigation protocol; and 4) failure to engage in first responder activities.

“It is every utility’s responsibility to follow state and federal regulations regarding pipeline safety, and any failure to do so is unacceptable,” said IURC Chairman Jim Atterholt.

When the violations occurred, Miller Pipeline Corporation, a wholly-owned subsidiary of Vectren, was conducting a drilling procedure in New Albany, Indiana. After failing to verify the location of the underground infrastructure, it damaged a natural gas main. The resulting leak caused natural gas to migrate from the damaged main to a nearby home, which then exploded. According to case testimony, the residence was destroyed, and five residents and one Miller Pipeline Corporation employee were injured.

Under Indiana law, each violation is subject to a maximum civil penalty of \$25,000. Given four violations were identified in today’s decision, the total fine amounted to \$100,000. This amount differs from the settlement agreement due to violation number four, listed above, not being included in the settlement.

In addition to this modification, the agency also approved changes to Vectren North’s Operation and Maintenance Manual, as well as changes to the Master Services Agreement, which added specific enforcement provisions and made it clear to contractors the importance of following Vectren North’s operating policies and procedures.

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“The settlement agreement included provisions designed to make Vectren North and its contractors more accountable and to ensure that additional precautionary steps are taken to prevent incidents like this from occurring in the future,” said Atterholt. “These are welcomed changes and represent a step in the right direction.”

Vectren North has 30 days to pay the penalty, which is then deposited into the State of Indiana’s general fund. Penalties assessed under Indiana law are not recoverable from ratepayers.

To view today’s decision, please visit: www.in.gov/iurc.

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The Commission is a fact-finding body that hears evidence in cases filed before it and makes decisions based on the evidence presented in those cases. An advocate of neither the public nor the utilities, the IURC is required by state statute to make decisions that balance the interests of all parties to ensure the utilities provide adequate and reliable service at reasonable prices.

For more information, please visit: www.in.gov/iurc.