

NPN

MAGAZINE

PETROLEUM & CONVE

CE

Tanknology

Environmental Compliance
for Petroleum Systems

800-800-4633

knology.com

NOVEMBER 2006

“Tanks” a million

Tanknology reaches milestone with its one-millionth tank test



BY MARK WARD, SR.

Tanknology reaches a milestone with its one-millionth tank test

“TANKS” A MILLION

Tanknology field technician Tim Clark, of the company's Northeast Region, performs the one-millionth tank test in Tanknology's history at a new Cumberland Farms convenience-store location in East Brookfield, Mass.

“MOST OF THE INDUSTRY PREDICTED that tank testing as a business would largely disappear once the EPA regulations went into full force in 1998,” recalled Allen Porter, president and CEO of Tanknology Inc., Austin, Texas. But after the company performed its one-millionth tank test at the end of September, Porter reaffirmed that any reports about the demise of tank testing are greatly exaggerated.

In a day when *Forbes* magazine recently announced that its annual listing of the world's wealthiest people contains only billionaires, a figure of one million does not seem very high. Yet a family earning the U.S. median income could live for nearly 25 years on one million dollars. One million hours ago, items such as radios and diesel engines did not exist. One million days ago, the city of Rome did not exist.

To achieve its one-million milestone, however, Tanknology has reinvented itself over the years as underground storage tank systems and the petroleum industry have evolved. Its two predecessor companies date back to the late 1980s — about the time the Environmental Protection Agency announced that all USTs must be upgraded or replaced by 1998 to meet agency standards — and Tanknology was established in its present form after a 1996 merger.

“There was a lot of tank testing being done in the early 1990s,” Porter remembered, “and then testing decreased from about 1995 to 1997 as UST owners started to install automatic tank gauges. There was a spike in the number of tests in 1998 because of the EPA deadline, and since then we've reinvented ourselves more broadly as a compliance-services provider.”

Changes in the industry over the past decade have also driven changes in Tanknology's clientele.

“Historically, our main customer base was the major oil companies and larger national accounts,”



Porter explained. “But many of the majors are divesting their retail locations. So our customer base is moving to the smaller regional marketers, companies that don’t have their own in-house environmental departments and need someone like us to help them with compliance management.”

Tanknology has more than 3,000 unique customers and annually services some 37,000 sites.

Along with regional marketers, these customers include such major oil companies and national accounts as ExxonMobil, BP, Chevron, Shell, Wawa, Sheetz and 7-Eleven. Porter admitted that many people are surprised to learn that, even though 60 percent of the market “has adopted a permanently installed leak-detection method as their method of compliance, a large percentage of the market, particularly the majors and larger independents, incorporate periodic tank testing as part of their overall compliance and liability reduction programs.”

Among those who are asking questions about the tank-testing business are Bob Renkes, president of the Petroleum Equipment Institute in Tulsa, Okla.

“I’m not hearing much about tank testing being done today,” he reported. “Today, there are a lot less tanks than in the 1980s, and the tanks that are in the ground today have ATGs.”

Compared to gauges that provide continuous monitoring, he suggested, “Tank tests are only a one-time deal, a snapshot in time that can tell you how a tank is today. But the tests can’t tell how your tank will be two months from now.”

In addition to automatic tank gauges, a second permanently installed method of leak detection is statistical inventory reconciliation. Porter contends that, through periodic tank tests, UST owners can “receive independent verification that their ATGs are working properly, confirm or quantify a potential event or inconclusive SIR result. It’s also quite common for tanks to be tested when a station is being sold or acquired.”

In the United States, Tanknology primarily uses a non-volumetric vacuum testing method, while the company’s international licensees — active in

Executives from Tanknology and Cumberland Farms display a plaque that commemorates Tanknology’s one-millionth tank test. Pictured from left to right are Melissa Glidden, Cumberland Farms; Joe Buice, Tanknology; Susan Sullivan, Cumberland Farms; Allen Porter, Tanknology president and CEO; Emile Tayeh, Cumberland Farms; Deborah Rebello, Cumberland Farms; Bill Callaway, Tanknology; and Maureen Jernstedt, Cumberland Farms.



Tanknology's tank-testing vehicle sits outside the new Cumberland Farms convenience store in East Brookfield, Mass., on Sept. 28. The site was the location of Tanknology's historic one-millionth tank test.

“Historically, our main customer base was the major oil companies and larger national accounts. But many of the majors are divesting their retail locations. So our customer base is moving to the smaller regional marketers, companies that don't have their own in-house environmental departments and need someone like us to help them with compliance management.”

**Allen Porter
TANKNOLOGY**

more than 20 countries — mostly employ a volumetric tank-testing method. These procedures test the soundness of the entire tank system, including the lines and the leak-detection equipment.

Tank testing remains a vital business for Tanknology but, in the decade since the 1998 EPA deadline forever changed the industry, Porter and his team have added other services “as we position ourselves as a full-service compliance provider.”

Among these services is PetroScope, a robotic video system to inspect the structural integrity of UST interiors without excavation or manned entry. Tank bottom flatness tests are also offered, as are Stage II tests and a secondary containment testing system to be approved for use in California. Tanknology can install ATGs, as well as install cathodic protection to guard against the erosion of metal parts in contact with soil. And the company recently launched a tank-preparation service to help marketers convert USTs to ultra-low-sulfur diesel and ethanol.

“For our clients, we check out the assets at all your locations and then come up with a compliance-management plan for your company. We're your compliance advisor,” said Porter.

While most of Tanknology's customers are fuel retailers, he explained, the company also serves some jobbers and wholesalers. Transportation companies such as Hertz, Alamo and Ryder likewise employ Tanknology.

“And we've got some customers among the hypermarketers,” he added, including Wal-Mart, Sam's Club, Costco and Albertson's.

But a good example of Tanknology's core customer base is Cumberland Farms of Canton, Mass., owner and operator of more than 900 convenience-store locations throughout New England and Florida. The company sells Exxon, Gulf and private-brand fuel that is stored in approximately 2,700 underground tank systems throughout its retail network. One of those systems, at a new Cumberland Farms location in East Brookfield, Mass., was the subject of Tanknology's one-millionth tank test, which was conducted on Sept. 28.

Though Cumberland Farms maintains an in-house department to oversee its compliance program, “Tanknology manages our compliance requirements,” explained Emile Tayeh, vice president of construction and chief of environmental affairs. “Our in-house compliance group does the oversight and makes sure that no tests are missed. But they don't do any field-testing. For that, we use a third party.”



Though Cumberland Farms has automatic tank gauges installed at about 95 percent of its sites — and plans to have ATGs at the remaining sites as tanks are upgraded — the company has opted to conduct third-party testing for several reasons. According to Tayeh, tests performed by Tanknology cover the entire tank system, including the piping, sumps, leak-detection equipment, and Stage I and II vapor recovery. Periodic tests are made, as often as once a year where needed, to ensure the tightness of the system.

“And we always do a tightness test before a new station is open, to make sure the tank system was properly constructed,” Tayeh added.

Tayeh classified Cumberland Farm's tank tests according to three scenarios: those required for regulatory compliance; those conducted when a station changes hands; and those performed after a tank system is modified or constructed. Among the latter is the East Brookfield retail site, which boasts six MPDs and a 4,000-square-foot c-store. Altogether, in the first three-quarters of 2006, Cumberland Farms conducted 2,300 tests related to components of its tank systems. With that kind of volume, he said, “That's why we partnered with a third party.”

Over the next decade Tayeh believes the technology for tank systems and related diagnostics will continue to advance. Within the next five to 10 years he believes that all remote communications and diagnostics will be computerized, up to and including the capacity for automatic fuel ordering and delivery to individual stations.

“But operators will always have to verify the tightness of their systems,” Porter asserted, “and so I don't think that tank design and leak-detection technology will ever get to the point where you don't need independent testing.” **NPN**