ENVIRONMENTAL COMPLIANCE PROTOCOL

REMOVAL OF MERCURY CONTAINING REGULATORS

Rev. 1.1

October 3, 2006

This section provides standard procedures for removing Mercury Containing Regulators (MCR) from service and recycling elemental mercury.

Prior to 1960s some natural gas service locations used regulators and “combination meters” (a meter and regulator combined into one unit) that contained small amounts of elemental mercury. These types of regulators were the standard in the gas utility industry for “high pressure” natural gas distributions systems. The mercury was used in the regulator as a pressure relief device, should a surge in gas pressure occur.

The NIOSH exposure limit that should not be exceeded during the workday is 0.05 mg/cubic meter. Exposure to mercury can occur from breathing mercury vapor, ingestion of mercury, and absorption through skin contact. Use of the proper handling procedures and protective equipment will minimize or eliminate exposure.

Vectren has a program in place to remove MCRs from service and replace them with modern mechanical regulators. The MCR removal program consists of

1) Identification of MCR still in service;
2) Training of selected Company personnel for removal and handling of MCR;
3) Removal of MCR using protocol to reduce the risk of release of mercury;
4) Transportation of MCR to a centralized location for storage pending disposal;
5) Scheduling and transportation of MCR to Bethlehem Apparatus or Heritage Environmental for recycling;
6) Maintaining EPA and DOT required paperwork; and
7) Prompt reporting and cleanup of spills.

1. Identification of MCR Designated for Retirement

The Company has identified MCR at locations in the former Indiana Gas service territory. If any additional MCR are identified, other than those already known, they should be added to the list of MCR for removal. The Environmental Affairs Department shall be contacted regarding MCR found at indoor locations.

2. Training of Company Personnel

Gas equipment containing mercury (units) shall be retired as designated in the planned replacement program using only Company personnel trained for this work, or a contractor that has been approved by the Environmental Affairs Department and
Operations. Each Region that has MCRs will have qualified supervisors trained in the mercury handling procedure who will then train Company employees who will retire/replace the units containing mercury. The Environmental Affairs Department will provide training regarding storage, labeling and paperwork requirements for MCRs.

3. Removal of MCR

A. Indoor MCR - Pre- and Post-Removal Screening
For indoor MCR, the Environmental Affairs Department must be notified at least two days prior to removal. Pre- and post-removal screening must be conducted when removing any indoor MCR. The screening will be conducted by Environmental Affairs personnel or an approved contractor and will consist of ambient air monitoring and a visual inspection. If the results of the pre-removal air monitoring and inspection are satisfactory (e.g., no indication of a release), the MCR may be removed according to the procedure identified in below. Post-removal screening is conducted for indoor MCR to confirm that mercury was not released during the removal.

B. MCR Removal Procedure
Before the MCR is removed, make sure the following equipment is available.

<table>
<thead>
<tr>
<th>Description</th>
<th>Stores Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plastic Container (Pan)</td>
<td>60 6250</td>
</tr>
<tr>
<td>Absorbent Pads</td>
<td>-</td>
</tr>
<tr>
<td>Mercury Cleanup System</td>
<td>606950</td>
</tr>
<tr>
<td>Nitrile Chemical Gloves</td>
<td>667480</td>
</tr>
<tr>
<td>Approved re-sealable, 30-gallon drum</td>
<td>608790</td>
</tr>
<tr>
<td>“Universal Waste” label for 55-gallon drum marking contents as mercury-containing equipment</td>
<td>-</td>
</tr>
<tr>
<td>“Corrosive” label</td>
<td>02 8852</td>
</tr>
<tr>
<td>Pipe plugs and caps needed to close all outlets to mercury-containing device</td>
<td>-</td>
</tr>
</tbody>
</table>

1) Conduct visual inspection around the MCR for the presence of mercury. If mercury is observed, notify Environmental Affairs personnel immediately and block off the area with caution tape. Do not remove the unit until conferring with Environmental Affairs. If mercury is not observed around the unit, proceed to step 2.
2) Shut off the supply of gas and or any source of pressure.
3) Position the plastic container under the unit to be retired so as to contain the mercury should there be a spill. The nitrile chemical gloves must be worn during all phases of the retirement process.
4) Tap any vent line with a wrench to dislodge any mercury in the line. Disconnect the vent line and install plugs in the vent line and vent openings.
5) Disconnect the outlet side for the unit and install a plug in the outlet opening.
6) Carefully remove the unit from the inlet piping and install a plug in the inlet opening. Seal all other openings with pipe plugs, caps or Barber “X-pander” plugs; place into “heavy duty” plastic bag (stock) and tie off.
7) After sealing, place the unit in the plastic pan and carefully carry it to the Company vehicle.
8) If the unit connections are “frozen,” cut the unit out with wheel cutters. If possible, avoid using a hacksaw (to eliminate vibration).
9) Place the unit into the 30-gallon drum that has been secured in the bed of the truck. Secure the lid of the drum prior to transportation. Transport the 30-gallon drum to the designated storage area (e.g., Regional Service Center).

4. Transportation of MCR to Designated Storage Location
When transported, mercury is subject to Department of Transportation (DOT) requirements. To avoid shipping the mercury as a DOT hazardous material which would include, labeling, placarding of trucks, and the driver's need to have a commercial driver's license (CDL) with a hazardous material (HM) endorsement, the service truck must never transport a quantity of mercury which exceeds the Reportable Quantity (RQ) of the mercury. Thus, to be assured that the possibility of exceeding the RQ never occurs, the service truck should never carry more than two MCRs to the storage location.

Once the MCR is returned to the designated storage location, the MCR is removed from the 30-gallon drum, and placed into a labeled, DOT-approved 55-gallon drum. The 55-gallon drum may be filled with as many regulators as will fit. The 55-gallon drums that are maintained at the storage location must be kept closed except when adding more units.

5. Scheduling and Transportation to Bethlehem Apparatus or Heritage
When two drums are full, arrangements must be made to ship the material for recycling. Once the drums are full, partially full, or a decision has been made to ship, notify the Environmental Affairs Department so shipment to the recycler can be arranged. All material will be recycled by Bethlehem Apparatus Company, Inc., Hellertown, Pennsylvania or Heritage Environmental, Indianapolis, Indiana.
6. Maintaining EPA and DOT Required Paperwork

To assure compliance with RCRA and DOT requirements, all mercury-containing equipment must be manifested from the storage location to the recycling facility in the following manner:

A. Affix the completed Universal Waste label and DOT Corrosive Labels to the drum. The Environmental Affairs Department can give the information required to complete the label or completed labels can be requested in advance.

B. A Uniform Hazardous Waste manifest is required for shipment of the drums to Bethlehem Apparatus. The Environmental Affairs Department will provide a completed UHWM prior to shipment.

7. Reporting and Cleanup of Spills

If the work is carefully planned, and all necessary precautions taken, spills can be avoided. If an accidental spill occurs, address it immediately in an effort to keep it in as small an area as possible until it can be cleaned up properly. If necessary, dike around the spill and/or block sewers, drains, manholes, ditches or waterways – any type of conveyance that might carry the impact to a greater distance. Spill debris (soil, stone, etc.) that have been removed for disposal should be segregated into a 55-gallon drum separate from regulators and labeled as mercury spill debris.

Since company employees have not had OSHA training in the use of respiratory protection, the area must be screened (using the Jerome MVA) before cleaning up a spill to insure the OSHA exposure limit is not exceeded. Contact Environmental Affairs immediately to arrange for delivery of both the Jerome MVA and mercury vacuum as necessary as well as determine any potential reporting requirements to IDEM or National Response Center. If vapors from the spill exceed the OSHA exposure limit, a commercial cleanup contractor will be contacted. An internal Incident Report Form shall be completed and returned to Environmental Affairs to document the spill and clean-up methods.

Environmental Affairs contact: Steve Spears