

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
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February 11, 2010

Dear Operator:

Enclosed is updated contact information for the Pipeline Safety Division of the IURC for your use during regular business hours and emergencies. I neglected to announce previously that Mike Orr was recently named our new Assistant Director. As expected, Mike has transitioned into his new role with ease.

We appreciate your hard work in meeting state and federal pipeline safety standards that are increasing in both number and complexity. We look forward to working with you in 2010 as we work towards improved safety for Indiana's pipeline systems.

This year, we will continue to review maximum allowable operating pressure (MAOP) designation under 49 CFR 192.619, 621 and 623. The past year provided all of us an opportunity to learn the process and determine the difficulties of these exercises. Please note that we approach this as an exercise to help prepare you for DIMP. It will be critical that you have established your MAOP(s) and we trust that the efforts put forth now will generate dividends in the future. I will share information with you on DIMP as it is passed to me. It is extremely important to remember that knowledge of your system(s), threat identification and mitigation and damage prevention will be critical parts of your programs. PHMSA and NTSB expect you to be proactive, not reactive, more so now than ever. Documentation and record-keeping is critical today to verify your efforts to operate safely.

This past year we also conducted inspections of records supporting your Public Awareness plans. We plan to catch all such inspections for those of you that we may have missed. 2010 marks the four year "effectiveness evaluation" requirement for most of you, and we will ask about your efforts to determine the effectiveness of your public awareness plans. We will continue to review your annual reports, and will conduct more operator qualification field evaluations, though likely less than during 2009. We must ask about your drug and alcohol plans, and your procedure's adherence to them should an employee test positive.

As you are aware, the Pipeline Safety Division began public workshops in 2008 to discuss proposed revisions to Indiana's regulations. We expect to see the final product in a few months. Master meter operators will have additional reporting requirements after the revisions go into effect. The current State annual report, due March 1st, can be found on the Pipeline Safety Division's web page inside the commission's web site, www.in.gov/iurc/. We hope to

conduct a workshop for master meter operators yet this year to go over these new requirements and other issues that we believe should be addressed.

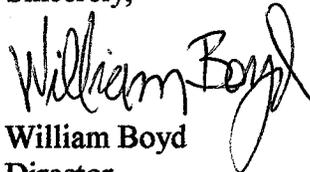
Indiana's One Call law was revised in 2009 to include possible civil penalties for unlawful damages to underground gas and hazardous liquid pipelines. We expect your active participation and support for these efforts. Work is underway to develop the most efficient and cost-effective way to gather data to support the newly revised law. Developments will be passed on as they are finalized.

2010 is the year that we will conduct our operator seminar jointly with PHMSA. This year's seminar will be held July 13th through the 15th at the French Lick Resort in French Lick, Indiana. Wayne St. Germain from Louisiana and Oklahoma City, Oklahoma, will be our PHMSA presenter. Practice your singing, as Wayne is BIG on the Karaoke circuit. More information about the seminar can be found on the pipeline safety division's web page.

Finally, please take a moment to provide us with contact information for your organization as indicated on the enclosure. Information may be mailed, e-mailed (echildress@urc.in.gov) or faxed (317-233-2410) to Connie Childress.

We appreciate your efforts in working together with us as we strive to ensure that pipeline systems are safe and that Indiana operators are in compliance with state and federal regulations. Please do not hesitate to contact us with questions, concerns or suggestions.

Sincerely,



William Boyd
Director
Pipeline Safety Division