



Construction Update and Safety Information

Introduction

In April 2004, the US Environmental Protection Agency (USEPA), Northern Indiana Public Service Company (NIPSCO) and Brown Inc. (Brown) collectively agreed to undertake the following actions:

- An investigation of the nature and occurrence of constituents related to coal combustion by-products (CCBs) (including boron and molybdenum) in groundwater

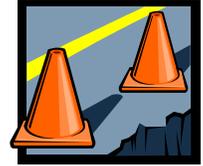
within a defined area of investigation in the Town of Pines;

- An extension of the municipal water service to major portions of the Town of Pines; and
- Supplying bottled water to additional residences in the Town of Pines on an interim basis.

These undertakings are documented in two Administrative Orders on Consent

(AOCs) (refer to Pines Update #1 for more detailed information about these

AOCs). This Update focuses on the extension of the municipal water service being done under AOC I and its amendment (Amendment to AOC I), and provides notice of particular safety issues related to the construction work of which community members should be aware.



Construction Update

What is AOC I and the Amendment to AOC I – what work is being done?

AOC I was signed by the USEPA, NIPSCO, and Brown in January 2003. Under AOC I, municipal water service was extended to 130 homes in two particular areas of the Town of Pines. This work was completed in December 2003.

In April 2004, AOC I was amended. The Amendment to AOC I specifies that municipal water service be extended to a larger area of the Town of Pines. The Amendment to AOC I also specifies that bottled water be supplied to each home within this larger area until the extension is completed to that home, and that bottled water be supplied to certain residences outside the area until an investigation into the presence of potential CCB-related constituents in groundwater is completed. The construction of the municipal water service extension to approximately 140 additional homes began this past Spring (2004) and will be completed by July 1, 2005.

What is the progress of the construction of the municipal water service extension?

At this time (October 2004), the construction of the municipal water service extension is well underway. Community members in the Town of Pines have likely observed the heavy equipment being used to dig the trenches for the water service piping. The project is on target to be completed as per the conditions of the Amendment to AOC I.

Have all homes designated to receive bottled water been supplied this water?

Yes. At this time, all areas to be supplied with bottled water (which were identified in Exhibit I and Exhibit II to the Amendment to AOC I) have been contacted, and those requesting bottled water have been provided it. If you have any questions on your eligibility for bottled water, please contact the communications coordinator at the address listed on the back of this update; we will check your address and get back to you.

Are we looking for CCBs during construction for the extension?

Yes. As the extension work is being conducted, we are taking advantage of the opportunity to collect information in areas where suspected CCBs are encountered. The observations and sample data we collect during this work will help to better define the nature and extent of CCBs within the Area of Investigation. Suspected CCB materials removed during the trenching will be tested, and, if confirmed as CCB materials, handled in accordance with USEPA regulations.



Excavator used in Construction

Safety Reminders...Important Safety Notes to Community Members

Use of Heavy Vehicles for Construction Work

The construction of the municipal water service extension requires the use of heavy equipment (for example, excavators and dump trucks).

Community members in the vicinity of the construction site should use caution at all times while in the vicinity of these vehicles.

Specifically, community members must maintain a safe distance and remain clear of all construction equipment during and after work hours. Drivers and operators may have limited visibility at times. Most vehicles are equipped with an alarm that sounds when the trucks are in reverse. **When you hear this alarm, please watch the movement of the truck and move yourself away if necessary.**

It is the policy of the construction company that, while operating heavy

equipment in the work area, the equipment operators maintain communication with a designated signalman through either direct voice contact or hand signals. In addition, construction workers also maintain a safe distance and remain clear of the swing of operating excavation equipment. **Community members should take note of the designated signal person at the construction site, and adhere to any directions or warnings given.**

General Construction Site Safety

Barricades and signs are provided at the construction site along vehicle thoroughfares for the protection of the public. These measures outline the construction site, and help warn community members from entering the site. **All community members should observe and adhere to these site control measures.**

Additional safety hazards may be present at the construction site during the course of each workday. While we understand the public's interest in this project, **for your safety we must request that all warnings and directions given by the on-site staff are followed when in the vicinity of the work site.** These measures are being taken to protect YOUR safety and the safety of our contractors.

Safety is our #1 Concern!

Safety is the number one priority on the construction site. If you have questions or concerns about the construction work or wish to observe the process, please contact the communications coordinator at the address below for more detailed information.

Thank you for your patience with the temporary disruption and noise while these improvements are being made to the community.

Our Commitment....

NIPSCO and Brown are committed to keeping you informed on the progress of the municipal water service extension and the investigation of the Pines Area of Investigation. Look for future *Pines Updates* (such as this one) to update you to our progress. We have also created a website to provide continual updates on the project:

www.pinesupdate.com

We've also developed a mailing list for the site. Please contact the Communications Coordinator at the address listed below to be placed on the mailing list.

**Communications Coordinator, Brown, Inc.
720 W. US Hwy 20
Michigan City, IN 46360**

Communications Coordinator
720 W. US Hwy 20
Michigan City, IN 46360