

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF CITIZENS ENERGY GROUP  
HELD FEBRUARY 10, 2010**

Pursuant to notice duly given and posted as required by law, the Regular Meeting of the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis convened at 8:00 a.m. EST, Wednesday, February 10, 2010, at the Steam Assembly Room of Citizens Thermal Energy, 366 Kentucky Avenue, Indianapolis, Indiana.

Board members present: Daniel C. Appel, Anita J. Harden, Dorothy J. Jones, Martha D. Lamkin, James M. McClelland, and Lawrence A. O'Connor, Jr.

Present from the Utility: President and Chief Executive Officer Carey B. Lykins, Senior Vice President and Chief Financial Officer John R. Brehm, Senior Vice President and General Counsel and Assistant Secretary John R. Whitaker, Senior Vice President, Chief Administrative Officer M. Jean Richcreek, Senior Vice President, Operations William A. Tracy, Vice President, Gas and Steam Operations Lindsay C. Lindgren, and Associate Counsel Aaron D. Johnson.

Also present: Richard J. Thrapp of Ice Miller.

The meeting was called to order by Chairman Lamkin.

The minutes of the Annual Meeting of the Board of Directors held January 10, 2010 were approved as submitted.

Ms. Lamkin certified that the subject matter of the discussion during the Executive Session of the Board held immediately preceding the Meeting of the Board was solely limited to the item(s) set forth in the Public Notice attached as Exhibit "A."

Mr. Lykins indicated that on February 1, 2010, the Utility filed its thirty-day Gas Cost Adjustment (GCA-105) with the Indiana Utility Regulatory Commission (IURC) for the period of March 1, 2010 through May 31, 2010. The GCA-105 rates compared to the February, 2010 Monthly Update rates reflect an increase for all classes. Compared to rates in effect one year ago, April and May 2010 rates reflect an increase for all classes. March 2010 rates reflect a decrease for all classes when compared to rates in effect one year ago. In IURC Cause No. 37399-GCA75 (GCA75 Order), the IURC approved a settlement agreement with the Office of the Utility Consumer Counselor which provides that the Utility may file monthly GCA rates with the IURC subsequent to the IURC's approval of the thirty-day GCA rates, and those monthly GCA rates may be implemented without further approval of the IURC. Due to the summary

nature of these monthly GCA rate filings, separate Board approval of GCA rates will not be necessary each month. The following resolution was unanimously adopted:

RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis:

That the thirty-day filing of GCA-105 with the IURC for the period of March 1, 2010 through May 31, 2010 is hereby ratified, confirmed and approved. Pursuant to the terms of the monthly GCA mechanism, the management and staff hereby are authorized to modify the GCA rates for each of the months March 1, 2010 through May 31, 2010 in accordance with the terms of the GCA75 Order and the Order in Cause No. 37399-GCA105.

The November 16, 2009, quarterly steam fuel cost adjustment petition filed with the Indiana Utility Regulatory Commission ("IURC") in Cause No. 41969-FAC-16 was discussed. The rates filed in FAC-16, compared to current rates, reflect a decrease of \$.01664 per therm for both rate classes—General Steam Service Rate 1 and Demand Rate Service Rate 2. The typical bill will decrease approximately 0.9% for a Rate 1 customer and 1.3% for a Rate 2 customer. The following resolution was unanimously adopted:

RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, d/b/a Citizens Thermal:

That the FAC-16 charges approved by the IURC with an effective date of February 1, 2010, are hereby ratified, confirmed and approved.

Ms. Lamkin reviewed the invoices paid for outside professional services for the Utility for the quarter ended December 31, 2009, as set forth in Exhibit "B." The following resolution was adopted:

RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis:

That the listing of payments for outside professional services, attached as Exhibit "B," is hereby ratified, confirmed, and approved.

Ms. Lamkin reviewed Quarterly Report No. 294 to be filed with the City Controller. The following resolution was unanimously adopted:

RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis:

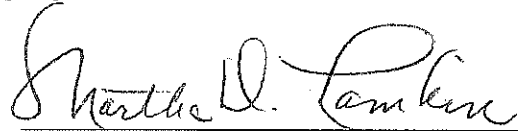
That the necessary and appropriate officials of the Utility are hereby authorized and directed to file Quarterly Report No. 294, as of December 31, 2009, with the City Controller, attached as Exhibit "C."

Mr. Lindgren gave a presentation regarding steam operations.

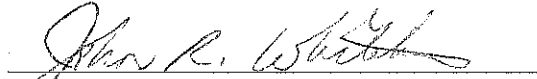
Mr. Brehm reviewed the financial reports and answered any questions

Mr. Lykins responded to questions regarding the Monthly Operational Status Report.

There being no further business, the meeting adjourned at 9:00 a.m. EST.



Martha D. Lamkin Chairman



---

John R. Whitaker, Assistant Secretary