

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS FOR UTILITIES  
OF CITIZENS ENERGY GROUP  
HELD FEBRUARY 11, 2009**

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 11, 2009, at the principal office of the Utility, 2020 North Meridian Street, Indianapolis, Indiana.

Board members present: Anita J. Harden, Dorothy J. Jones, Martha D. Lamkin, Anne Nobles, Lawrence A. O'Connor, Jr., and James A. Wade.

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 and Chief Administrative Officer M. Jean Richcreek, Senior Vice President Operations William A. Tracy, Vice President Human Resources Robert J. Hummel, Associate Counsel Aaron D. Johnson, and Executive Director and Controller Blaire B. Dougherty.

Others present: Ben W. Blanton of Baker & Daniels.

The meeting was called to order by Chairman Wade.

The minutes of the Annual Meeting of the Board of Directors held January 12, 2009 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 4, 2009, the Utility filed its thirty-day Gas Cost Adjustment (GCA-101) with the Indiana Utility Regulatory Commission (IURC) for the period of March 1, 2009 through May 31, 2009. The GCA-101 rates compared to the February 2009 Monthly Update rates reflect a decrease for all classes. GCA-101 rates compared to the rates in effect one year ago reflect a decrease for all classes except March Residential Heating class. 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-101 with the IURC for the period of March 1, 2009 through May 31, 2009 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, 2009 through May 31, 2009 in accordance with the terms of the GCA75 Order and the Order in Cause No. 37399-GCA101.

Mr. Wade reviewed the invoices paid for outside professional services for the Utility for the quarter ended December 31, 2008, as set forth in Exhibit "B." Due to Ms. Lamkin and Ms. Nobles abstaining due to a conflict of interest regarding the firm of Baker & Daniels, there would not have been a quorum present for ratification of all of the outside professional services. Consequently, a decision was made to ratify the outside professional services for Baker & Daniels at the next Board meeting and to proceed with the ratification of the remaining outside professional services. After discussion, 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, excluding those of Baker & Daniels, is hereby ratified as set forth in Exhibit "B," and

That the outside professional services for Baker & Daniels will be ratified at the next meeting of the Board of Directors.

Mr. Wade reviewed Quarterly Report No. 290 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:

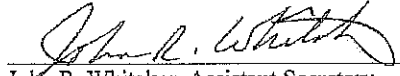
That the necessary and appropriate officials of the Utility are hereby authorized and directed to file Quarterly Report No. 290, as of December 31, 2008, with the City Controller, attached as Exhibit "C."

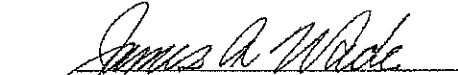
The Board approved, ratified, and confirmed the decision of executive management, as reported to the Board, with respect to certain future personnel matters concerning Andrew Proctor.

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 9:30 a.m. EST.

  
John R. Whitaker, Assistant Secretary

  
James A. Wade Chairman