

**MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF  
CITIZENS ENERGY GROUP  
HELD APRIL 7, 2010**

Pursuant to notice duly given and posted as required by law, the Meeting of the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis convened at 9:00 a.m. EST, Wednesday, April 7, 2010, at the principal office of the Utility, 2020 North Meridian Street, Indianapolis, Indiana.

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

Present from the Utility: President and Chief Executive Officer Carey B. Lykins, Senior Vice President and General Counsel and Assistant Secretary John R. Whitaker, Senior Vice President, Chief Administrative Officer M. J. Richcreek, Senior Vice President, Operations William A. Tracy, and General Manager, Strategic Growth Barbara Smith.

The meeting was called to order by Chairman Lamkin.

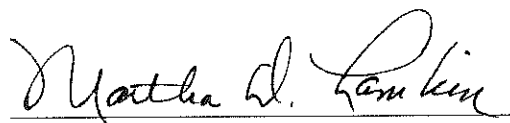
Ms. Lamkin certified that the subject matter of the discussion during the Executive Session of the Board held immediately preceding the Meeting of the Board was solely limited to the item(s) set forth in the Public Notice attached as Exhibit "A."


Mr. Lykins led a discussion regarding the due diligence process.

Ms. Nobles presented possible process requirements relative to board governance, which could result in a more effective and efficient board.

Mr. McClelland discussed possible process requirements related to board development. This discussion addressed the response to the board survey and the need for improved information distribution and training.

There being no further business, the meeting adjourned at 12:00 p.m. EST.

  
Martha D. Lamkin, Chairman

  
John R. Whitaker, Assistant Secretary

**MINUTES OF THE JOINT MEETING OF  
THE BOARD OF DIRECTORS AND  
THE BOARD OF TRUSTEES OF  
CITIZENS ENERGY GROUP  
HELD APRIL 14, 2010**

Pursuant to notice duly given and posted as required by law, the Joint Meeting of the Board of Directors and the Board of Trustees for Utilities of the Department of Public Utilities of the City of Indianapolis convened at 8:00 a.m. EST, Wednesday, April 14, 2010, at the principal office of the Utility, 2020 North Meridian Street, Indianapolis, Indiana.

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

Trustees present: Gerald L. Bepko, Kathryn G. Betley, Dennis Bland, Daniel F. Evans, Jr., and John L. Krauss.

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. J. Richcreek, Senior Vice President, Operations William A. Tracy, Associate Counsel Aaron D. Johnson, and Vice President, Customers Relationships Michael D. Strohl,

Also present: Jim Parham of Hiron & Company Communications.

The meeting was called to order by Chairman Lamkin.

The minutes of the Regular Meeting of the Board of Directors held February 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. Brehm reviewed the 2010 Deloitte & Touche Engagement Letter. After discussion, the following resolution was unanimously adopted:

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

That the Engagement Letter with Deloitte & Touche for the Fiscal Year 2010 is hereby ratified, confirmed and approved.

The February 15, 2010 quarterly steam fuel cost adjustment petition filed with the Indiana Utility Regulatory Commission ("IURC") in Cause No. 41969-FAC 17 was discussed. The rates filed in FAC 17, compared to current rates, reflect a decrease of \$0.08902 per therm for both rate classes—General Steam Service Rate 1 and Demand Rate Service Rate 2. The typical

bill will decrease approximately 3.7% for a Rate 1 customer and 6.2% for a Rate 2 customer.

After discussion, 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 FAC 17 charges approved by the Indiana Utility Regulatory Commission ("IURC") with an effective date of May 1, 2010, are hereby ratified, confirmed and approved.

Mr. Strohl asked for Board approval to execute an interim agreement and definitive long-term agreements with the Health and Hospital Corporation, operators of Wishard Hospital, to provide district steam and chilled water service to the new hospital and to build, own and operate a new steam and chilled water plant adjacent to the hospital as outlined in Exhibit "B." Besides adding Wishard Hospital as a profitable new steam and chilled water customer, this project presents several ancillary benefits as well. The Wishard site will allow Citizens to economically serve anticipated chilled water growth for the entire IUPUI campus and will move the chilled water system close to the VA Hospital, which would improve the opportunity to serve that hospital in the future. After discussion, 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 execution of an interim agreement and definitive long-term agreements with the Health and Hospital Corporation, operators of Wishard Hospital, to provide district steam and chilled water service to the new hospital and to build, own and operate a new steam and chilled water plant adjacent to the hospital as outlined in Exhibit "B." is hereby ratified, confirmed and approved.


Mr. Brehm responded to questions regarding the financial reports.


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

Ms. Lamkin provided an overview regarding the Board Retreat held on April 7, 2010.

Mr. Parham gave a presentation on public meeting communication.

There being no further business, the meeting adjourned at 10:00 a.m. EST.

  
Martha D. Lamkin, Chairman

  
John R. Whitaker, Assistant Secretary