

**MINUTES OF THE JOINT MEETING OF
THE BOARD OF DIRECTORS AND
THE BOARD OF TRUSTEES OF
CITIZENS ENERGY GROUP
HELD APRIL 15, 2009**

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 15, 2009, at the principal office of the Utility, 2020 North Meridian Street, Indianapolis, Indiana.

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

Trustees present: Daniel C. Appel, Gerald L. Bepko, Daniel F. Evans, Jr., and Kathryn G. Betley.

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. J. Richcreek, Senior Vice President Operations William A. Tracy, Vice President Gas and Steam Operations Lindsay C. Lindgren, Associate Counsel Aaron D. Johnson, Associate Counsel Michael E. Allen, Director of Risk Management Leon D. Broughton, Director of Purchasing Jeffrey T. Ford, and Director of Treasury Curtis H. Popp.

Also present: Michael B. Cracraft of Hackman Hulett & Cracraft, Philip C. Genetos of Ice Miller, and Jennie Huang, Charles Visconsi and Perry Offutt of Morgan Stanley.

The meeting was called to order by Chairman Wade.

The minutes of the Regular Meeting of the Board of Directors held February 11, 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. Wade excused himself from the Executive Session.

Messrs. Allen and Broughton led a discussion of the Red Flag Rules Program and Procedures issued by the Federal Trade Commission, which require certain creditors to develop and implement a written program and procedures to prevent identity theft. Citizens Energy Group is one of such creditors required to implement such a program and procedures in connection with new and existing residential customer accounts. After discussion, the following resolution was unanimously adopted:

WHEREAS, the Federal Trade Commission ("FTC") has issued rules and regulations (the "Red Flag Regulations") that are designed to prevent identity theft; and

WHEREAS, pursuant to the Red Flag Regulations, which Citizens Gas must be in compliance with by May 1, 2009, the Board or an appropriate committee of the Board must approve a written identity theft program that is designed to detect, prevent and mitigate identity theft in connection with new and existing Citizens Gas utility customer accounts;

WHEREAS, a cross functional team of Citizens Energy Group employees has developed a program and procedures designed to detect, prevent and mitigate identity theft in connection with new and existing Citizens Gas utility customer accounts (the "Citizens Gas Red Flag Program and Procedures").

NOW, THEREFORE, BE IT RESOLVED that:

(i) The Board of Directors hereby approves the Citizens Gas Red Flag Program and Procedures, which are incorporated herein by reference; and

(ii) The Board of Directors hereby designates Citizens Energy Group's Senior Vice President and Chief Financial Officer as the senior management official responsible for oversight, development, implementation and administration of the Citizens Gas Red Flag Program and Procedures.

Mr. Popp discussed and asked for approval of a \$10,000,000 line of credit for the Thermal Division. The fuel cost volatility for the Steam Division and construction costs within both Steam and Chilled Water have precipitated a need to supplement Thermal's working capital with a line of credit. The following resolution was unanimously adopted:

Recitals

WHEREAS, pursuant to Indiana Code 8-1-11.1, as amended (the "Act"), the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, d/b/a Citizens Energy Group (the "Board"), is authorized and empowered to borrow moneys by issuing a certificate of indebtedness pursuant to IC 8-1-11.1-23 to finance working capital to pay the expenses of operation of utility property; and

WHEREAS, the Board determined that it was necessary and desirable and in the best financial interests of the Board that the Board obtain working capital funds for its Thermal Energy System and entered into the Credit Agreement dated as of March 1, 2009, between JPMorgan Chase Bank, N.A. and the Board (the "Agreement") and the Revolving Credit Note related thereto (the "Note"); and

WHEREAS, substantially final forms of the Agreement and the Note, were presented to the Executive Committee of the Board (the "Executive Committee") at its meeting on March 18, 2009 (the "March Meeting"); and

WHEREAS, the Executive Committee authorized the execution and delivery of the Agreement and the Note pursuant to Indiana Code 8-1-11.1-3 and authorized any Officers to enter into any additional agreements (or deliver any certificates) necessary or advisable to effect the transactions contemplated by the Resolution adopted at the March Meeting (the "March Resolution"); and

WHEREAS, approval and ratification of the March Resolution by the Board is a condition precedent to advances being made under the Agreement;

WHEREAS, the Board desires to approve, ratify and confirm all actions taken by the Executive Committee with regard to the Agreement, the Note and the March Resolution; and

WHEREAS, the Board has taken all actions, and desires to take all such further actions, as may be necessary to approve and effect the Agreement and the Note and to make the Agreement and the Note valid obligations of the Board in accordance with their respective terms;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES OF THE CITY OF INDIANAPOLIS:

1. The foregoing Recitals are incorporated into this Resolution by this reference.
2. The actions of the Executive Committee taken at the March Meeting with respect to the Agreement and the Note and all provisions of the March Resolution are hereby approved, ratified and confirmed by the Board.
3. In the event that any provision of this Resolution is determined to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired.

Messrs. Lindgren and Ford discussed and requested approval to expend up to \$4,432,000 to complete the CIS system implementation. The original fiscal year 2008 budget was prepared during the summer of 2007 and contained all estimated costs known and available at that time. In May 2008, approval was granted for additional expenditures of \$1,322,155 to complete the project. Of this amount, \$316,506 was used in fiscal year 2008, and \$1,005,649 was budgeted for use in fiscal year 2009. It is now projected that additional funding of up to \$4,432,000 will be required to complete the project. 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 additional funding of up to \$4,432,000 to complete the CIS system implementation is hereby approved.

Mr. Lykins recommended that the Board retain the following professional firm for the services indicated for the ensuing year and that the Board be advised quarterly concerning disbursements made to such firm for services rendered on behalf of the Utility. After discussion, the following resolution was adopted with Ms. Larnkin and Ms. Nobles abstaining:

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

That the following professional firm is retained for the services indicated for the ensuing year and that the Board be advised quarterly concerning disbursements made to such firm on behalf of the Utility:

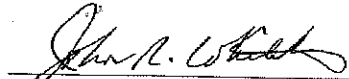
Baker & Daniels

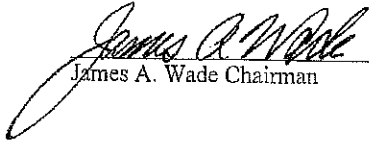
Special Legal Services,
Environmental, Litigation

Mr. Brehm responded to questions regarding the financial reports.

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

There being no further business, the meeting adjourned at 9:40 a.m. EST.


John R. Whitaker, Assistant Secretary


James A. Wade Chairman