

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS FOR UTILITIES
OF CITIZENS ENERGY GROUP
HELD MAY 13, 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, May 13, 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, 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, Chief Administrative Officer M. Jean Richcreek, Senior Vice President, Operations William A. Tracy, Vice President, Engineering and Facilities Management Jeffrey A. Harrison, Vice President, Community Relations Yvonne Perkins, General Manager, Strategic Growth Initiatives Barbara Smith, and Director of Internal Audit Kristine D. Kuhn.

The meeting was called to order by Chairman Wade.

The minutes of the Joint Meeting of the Board of Directors and the Board of Trustees held April 15, 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 a portion of the Executive Session.

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

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.

Mr. Wade reviewed Quarterly Report No. 291 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. 291, as of March 31, 2009, with the City Controller, attached as Exhibit "C."

Mr. Lykins indicated that on May 8, 2009, the Utility filed its thirty-day Gas Cost Adjustment (GCA-102) with the Indiana Utility Regulatory Commission (IURC) for the period of June 1, 2009 through August 31, 2009. The GCA-102 rates compared to the May, 2009 Monthly Update rates reflect a decrease for all classes in each of the three months with the exception of August usage for Residential Heating and General Heating. GCA-102 rates compared to the rates in effect one year ago reflect a decrease for all classes. 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:

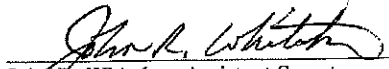
That the thirty-day filing of GCA-102 with the IURC for the period of June 1, 2009 through August 31, 2009 is hereby ratified, confirmed and approved. Pursuant to the terms of the monthly GCA mechanism, the management and staff hereby are authorized to modify the GCA rates for each of the months June 1, 2009 through August 31, 2009 in accordance with the terms of the GCA75 Order and the Order in Cause No. 37399-GCA102.

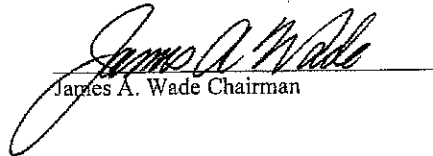
Mr. Brehm reviewed and responded to questions regarding the financial reports.

Mr. Harrison, Ms. Perkins, and Ms. Smith led a discussion regarding the Prospect Site Reuse Study.

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