

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS FOR UTILITIES
OF CITIZENS ENERGY GROUP
HELD JULY 15, 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, July 15, 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; James M. McClelland, 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, Chief Administrative Officer M. Jean Richcreek, Senior Vice President, Operations William A. Tracy, Associate Counsel Aaron D. Johnson, and Treasurer Curtis H. Popp.

Also present: Richard J. Thrapp and Tyler J. Kalachnik of Ice Miller.

The meeting was called to order by Chairman Wade.

The minutes of the Regular Meeting of the Board of Directors held May 13, 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.

Mr. Popp led a discussion regarding the approval of National City and Regions Bank revolving lines of credit. The rising cost of credit over the past year has prompted Citizens to closely review its existing credit arrangements. In the past, Citizens has maintained and annually renewed a line of credit with Key Bank to supplement its working capital requirements. Due to the increase in the pricing structure, Citizens opted to request facility pricing from five other banks. Upon evaluation, Citizens decided that the best combination available was to select National City and Regions Bank. After discussion, 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 has determined that it is necessary and desirable and in the best financial interests of the Board that the Board obtain working capital funds for its Gas Utility Distribution System by entering the Credit Agreement dated as of July 1, 2009, between Regions Bank and the Board (the "Regions Agreement") and the Revolving Credit Note related thereto (the "Regions Note") and the Credit Agreement dated as of July 1, 2009 between National City Bank and the Board (the "National City Agreement") and the Revolving Credit Note related thereto (the "National City Note"); and

WHEREAS, in order to place obligations of the Board under the Regions Agreement and the National City Agreement on a parity basis with the Line of Credit Agreement dated as of July 15, 2001, between Bank of America (as successor to LaSalle Bank National Association) and the Board as modified by a First Amendment to Line of Credit Agreement dated as of February 1, 2005 and a Second Amendment to Line of Credit Agreement dated as of July 15, 2008 (collectively, the "BOA Line of Credit Agreement"), a Third Amendment to the BOA Line of Credit Agreement (the "Third Amendment") is necessary and desirable; and

WHEREAS, in order to place obligations of the Board under the Regions Agreement and the National City Agreement on a parity basis with the Line of Credit Agreement dated as of July 1, 2008, between JPMorgan Chase Bank, N.A. and the Board (the "JPMorgan Line of Credit Agreement") (the "JPMorgan Line of Credit") a First Amendment to the JPMorgan Line of Credit is necessary and desirable; and

WHEREAS, substantially final forms of (i) the Regions Agreement and the Regions Note, (ii) the National City Agreement and the National City Note; (iii) the Third Amendment and (iv) the First Amendment are presented to this meeting of the Board; 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 Regions Agreement, the Regions Note, the National City Agreement, the National City Note, the Third Amendment and the First Amendment and authorize and direct the execution and delivery of the Regions Agreement, the Regions Note, the National City Agreement, the National City Note, the Third Amendment and the First Amendment and to make the Regions Agreement, the Regions Note, the National City Agreement, the National City Note, the Third Amendment and the First Amendment, when executed and delivered, 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. Terms used in this Resolution are used with the respective meanings ascribed to such terms in the following paragraphs (unless otherwise provided):

"Act" means Indiana Code 8-1-11.1, *et seq.*, as amended.

"Board" means Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, d/b/a Citizens Energy Group.

"First Amendment" means the First Amendment to the JPMorgan Line of Credit Agreement dated July 15, 2009, between the Board and JPMorgan Chase Bank, N.A.

"Gas Utility Distribution System" means all assets and properties, including any and all interests therein, whether real or personal or tangible or intangible, held or operated by the Board in trust or otherwise and used directly to provide gas utility service, the rates and charges for which are subject to regulation by the Indiana Utility Regulatory Commission ("IURC") or, in the absence of IURC regulation, under rates and charges established by the Board pursuant to Indiana Code 8-1.5-3-8 or any successor provision of law. Neither the portion of the gas utility system not within the Gas Utility Distribution System nor the Thermal Energy System is part of the Gas Utility Distribution System.

"JPMorgan Line of Credit Agreement" means the Line of Credit Agreement dated as of July 1, 2008 between JPMorgan Chase Bank, N.A. and the Board.

"LaSalle Line of Credit Agreement" means the Line of Credit Agreement dated as of July 15, 2001, by and between the Board and Bank of America (as successor to LaSalle Bank National Association) as modified by a First Amendment to Line of Credit Agreement dated as of February 1, 2005 and a Second Amendment to Line of Credit Agreement dated as of July 15, 2008.

"National City Agreement" means the Credit Agreement dated as of July 1, 2009 between National City Bank and the Board.

"National City Note" means the Revolving Credit Note, which constitutes a certificate of indebtedness pursuant to IC 8-1-11-1-23, evidencing the obligations of the Board under the National City Agreement.

"Officers" means the President, the Vice President, the Secretary and each Assistant Secretary of the Board and the President, the Senior Vice President and Chief Financial Officer, any Vice President and the Treasurer of the Utility.

"Regions Agreement" means the Credit Agreement dated as of July 1, 2009, between Regions Bank and the Board.

"Regions Note" means the Revolving Credit Note, which constitutes a certificate of indebtedness pursuant to IC 8-1-11-1-23, evidencing the obligations of the Board under the Regions Agreement.

"Third Amendment" means the Third Amendment to the BOA Line of Credit Agreement dated July 15, 2008, between the Board and Bank of America.

"Thermal Energy System" means all assets and properties, including any and all interests therein, whether real or personal or tangible or intangible, held or operated by the Board in trust or otherwise and used to provide steam utility and chilled water and related services and products.

"Utility" means Citizens Energy Group.

3. The Board hereby authorizes the Regions Agreement, the Regions Note, the National City Agreement, the National City Note, the Third Amendment and the First Amendment and directs that they be effected, all as provided in and pursuant to this Resolution, the Act, the Regions Agreement, the Regions Note,

the National City Agreement, the National City Note, the Third Amendment and the First Amendment. The Regions Note and the National City Note shall be issued as certificates of indebtedness.

4. The Regions Agreement, including the Regions Note, the National City Agreement, including the National City Note, the Third Amendment and the First Amendment, are hereby approved, and the Officers are, and each singularly is, hereby authorized, by and on behalf of the Board, to make any and all further amendments, changes, revisions and supplements thereto that such Officer or Officers, in their sole discretion, may deem necessary or advisable, and to enter into any additional agreements (or deliver any certificates) necessary or advisable to effect the transactions contemplated by this Resolution (all such documents, certificates and papers referred to in this paragraph are collectively hereinafter referred to as the "Transaction Documents").

5. This Resolution is intended to grant the broadest permissible discretion to the Officers to make any and all necessary or advisable amendments, changes, revisions and supplements to the Transaction Documents and to undertake all other acts necessary or advisable to effect the transactions contemplated by this Resolution, all as provided in this Resolution.

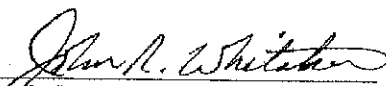
6. The Officers are, and each of them singularly is, hereby authorized on behalf of the Board, to execute any and all Transaction Documents, including any and all amendments, changes, revisions and supplements thereto; *provided, however*, that the President and the Secretary of the Board are the only Officers authorized to execute and attest the Regions Note and the National City Note.

7. 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.

Mr. Brehm reviewed and 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 9:45 a.m. EST.


John R. Whitaker, Assistant Secretary


James A. Wade Chairman