

**MINUTES OF THE JOINT MEETING OF
THE BOARD OF DIRECTORS AND
THE BOARD OF TRUSTEES OF
CITIZENS ENERGY GROUP
HELD AUGUST 12, 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, August 12, 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.

Trustees present: Dennis Bland, Gerald L. Bepko, 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, Chief Administrative Officer M. Jean Richcreek, Senior Vice President, Operations William A. Tracy, and Associate Counsel Aaron D. Johnson.

Also present: Michael B. Cracraft from Hackman Hulett & Cracraft, LLP, Richard J. Thrapp from Ice Miller, and Ben W. Blanton from Baker & Daniels.

The meeting was called to order by Chairman Wade.

The minutes of the Regular Meeting of the Board of Directors held July 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 the Executive Session.

Mr. Lykins reviewed the invoices paid for outside professional services for the Utility for the quarter ended June 30, 2009, as set forth in Exhibit "B." The following resolution was adopted with Ms. Lamkin 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 listing of payments for outside professional services, appended as Exhibit "B," is hereby ratified, confirmed, and approved.

Mr. Wade reviewed Quarterly Report No. 292 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. 292, as of June 30, 2009, with the City Controller, attached as Exhibit "C."

Mr. Lykins indicated that on August 3, 2009, the Utility filed its thirty-day Gas Cost Adjustment (GCA-103) with the Indiana Utility Regulatory Commission (IURC) for the period of September 1, 2009 through November 30, 2009. The GCA-103 rates compared to the August 2009 Monthly Update rates reflect an increase for all classes with the exception of General Heating in September 2009. The rates filed in GCA-103 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-103 with the IURC for the period of September 1, 2009 through November 30, 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 September 1, 2009 through November 30, 2009 in accordance with the terms of the GCA75 Order and the Order in GCA-103.

Ms. Lamkin led a Board discussion and asked for approval to authorize management to provide a non-binding response to the Request for Expression of Interest (REI) issued by the City of Indianapolis. On July 21, 2009, the City issued an REI soliciting ideas with respect to the efficient operation of the Indianapolis water and waste water systems. Management would like to respond to the REI, in a non-binding fashion, concepts related to possible ownership of the systems by Citizens, operating synergies that could be achieved under Citizens' ownership, and Citizens' expertise in operating combined utilities. After discussion, the following resolution was adopted. Mr. Wade excused himself from discussion and approval of this resolution.

WHEREAS, on July 21, 2009 the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, as trustee of a public charitable trust, d/b/a Citizens Energy Group ("Citizens") received a formal Request for Expression of Interest ("REI") from the Office of Mayor Gregory A. Ballard of the City of Indianapolis inviting Citizens, as well as others, to submit its approach and ideas concerning the most efficient and cost effective manner of producing water, processing wastewater and providing related infrastructure services utilizing the City's existing waterworks and wastewater systems and to address the City's obligations under the Consent Decree with the EPA concerning mandated capital improvements to the City's combined sewer overflow ("CSO") system;

WHEREAS, Citizens has been in discussions with the City concerning Citizens' capabilities in connection with these utility systems and potential operational and capital improvement synergies from combined ownership and operation of the water, wastewater and CSO systems by Citizens with its existing natural gas, steam and chilled water systems;

WHEREAS, generally speaking ownership and operations of the City's water, wastewater and CSO on terms and conditions acceptable to Citizens would be consistent with the mission and terms of the public charitable trust, as well as, Citizens' strategic vision and interests;

WHEREAS, responding to the REI at this point in time would not commit Citizens to participate in any resulting transaction, which in any event would require, among other things, formal approval by this Board of Directors;

NOW, THEREFORE, BE IT RESOLVED, that management is authorized to prepare and submit a response to the REI setting forth its indication of interest, approach and ideas in connection with the potential role of Citizens in the future ownership and operation of the City's water, wastewater and CSO systems, with the terms and conditions of any resulting agreement nevertheless subject to, among other things, further approval of this Board of Directors.

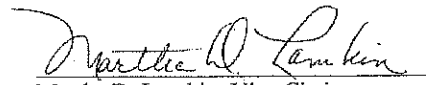
Mr. Brehm responded to questions regarding the financial reports.

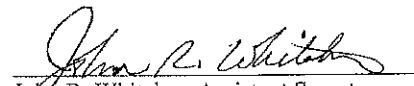
Mr. Lykins responded to questions regarding the Monthly Operational Status Report.

After departure of management, Mr. Wade led a Board discussion regarding the status of the customer information system upgrade project.

Mr. Wade tendered his resignation, effective August 13, 2009, and it was accepted by the Board.

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


Martha D. Lamkin, Vice Chair


John R. Whitaker, Assistant Secretary