

Citizens Thermal Update

A Division of Citizens Gas & Coke Utility

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Citizens Helps Clarian Labs Stay in Harmony with Scenic Downtown Surroundings

With its curving glass and brick facades, Clarian Health's new Consolidated Laboratory Facility seems to flow into the scenic overlook of the Central Canal in downtown Indianapolis.

Keeping the gleaming new 180,000-square-foot facility in harmony with its surroundings was accomplished in part by utilizing efficient and affordable energy services from Citizens Thermal Energy, according to Douglas Morris, Vice President, Operations and Facilities for Clarian Health Partners.

"We chose steam and chilled water services from Citizens Thermal Energy for the new Consolidated Laboratory for three reasons. First, we have a good working relationship with Citizens through its outstanding service to our other facilities. Second, using Citizens Thermal meant we didn't have to find space for cooling towers and stacks in such a tight location where aesthetics are very important. Third, using Citizens Thermal helps us keep our maintenance staff focused on supporting patient care, and less on maintaining energy facilities," explained Morris.

Clarian's environmental stewardship policy also supported choosing Citizens Thermal. "At Clarian, we always want to be environmentally conscious as we operate and make long-term capital investments. Using Citizens Thermal supports our strong commitment to environmental protection," Morris said.

In addition, Clarian chose Citizens Thermal because of its reputation for providing reliable and precise climate control. "The laboratory facility requires very precise heat and humidity control, both because it handles blood and tissue samples, and because of all the various high technology that is utilized. The computers and advanced robotics used in the facility generate a great deal of heat, and at the same time, this technology doesn't tolerate excess heat. All of this makes climate control vital," Morris explained.

Continuous technological improvements at the Clarian Lab and the many other Clarian facilities make Citizens Thermal a natural choice for ongoing service. "We need to have the ability to adapt our facilities to the requirements of new technologies. We like the flexibility provided by Citizens Thermal. We look forward to utilizing this flexibility at our other facilities such as the IU (Indiana University) Cancer Center and Riley Hospital," Morris said.

Accommodating the rapid growth of Clarian's facilities, IUPUI and other downtown development has required substantial and timely system expansions by Citizens Thermal. For example, last year the utility extended its chilled water system by approximately 1-mile to meet Clarian's needs at the new lab and other nearby facilities.



Douglas Morris, Vice President, Operations and Facilities for Clarian Health Partners.

"We continue working in a spirit of partnership with existing and new entities that are experiencing growth in the downtown area. Clarian certainly has been a close partner in this regard," said Bill Petty, Manager of Market Development for Citizens Thermal Energy.

Clarian Lab At a Glance

- **What:** \$69.5 million, 180,000-square-foot pathology lab opened in April serving Clarian Health Partner facilities.
- **Why:** Consolidates more than 10 million lab tests done per year at the various Clarian Health facilities, allowing for faster testing times and better data control and accuracy.
- **How:** Test samples are transported to the lab from other Clarian facilities downtown via a pneumatic tube system mounted on the tracks of the People Mover mono-rail system.

Utility Construction Work Under Way for New Airport Terminal

Construction has begun on steam, chilled water and other utility services for the new Midfield Terminal at Indianapolis International Airport.

BHMM Energy Services, LLC and Citizens Thermal Energy are facilitating the construction along with a number of contractors working under the direction of Bowen Engineering. BHMM will manage the plant utility operations of the IMC Central Energy Plant, which will provide thermal utility service to the new Midfield Terminal.

The most visible work now under way is being done by Midwest Mole, a company specializing in construction of underground connectors. A drilling machine is boring a 2,016-foot connector that will pass 22 feet below one airport runway and two taxiways. The Earth Pressure Balanced Tunneling Machine, which is 50 feet long and weighs more than 103 tons, is drilling a 9-foot diameter connector to house chilled water and high temperature/hot water distribution lines as well as electric distribution cabling.

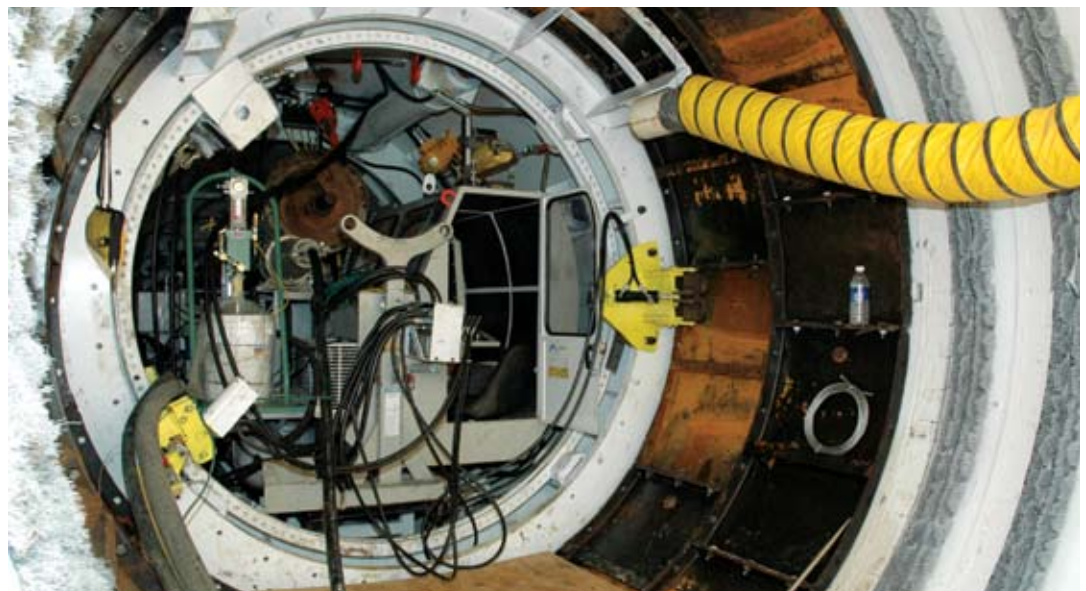
An operator in an air-conditioned capsule guides the drilling machine as it moves. Cameras enable project officials on the surface to monitor boring progress. The machine is capable of drilling through 14- to 20-feet of earth each shift. The machine shores up the hole as it digs by installing steel plates along the connector walls as it moves.



The Earth Pressure Balanced Tunneling Machine will drill a 2,016-foot, 9-foot diameter connector beneath a runway and two taxiways to house thermal and other utilities for the new Midfield Terminal.

“This is a two-phased project. The first phase is the utility connector project that includes installation of 5,800 feet of 24-inch diameter chilled water and 8-inch diameter high temperature/hot water lines. The second phase involves modifications to the Central Energy Plant to accommodate delivery of thermal utilities. All of the utility work is scheduled to be completed during summer 2007,” explained Mark Vogler, who is one of the project engineers for Citizens Thermal along with Dave Kiesel.

The \$1.1 billion airport improvement project will feature a new terminal building located between the two existing main runways. The new airport terminal, scheduled to open in late 2008, will have new and improved highway access, parking, support facilities, utilities and airside operations.



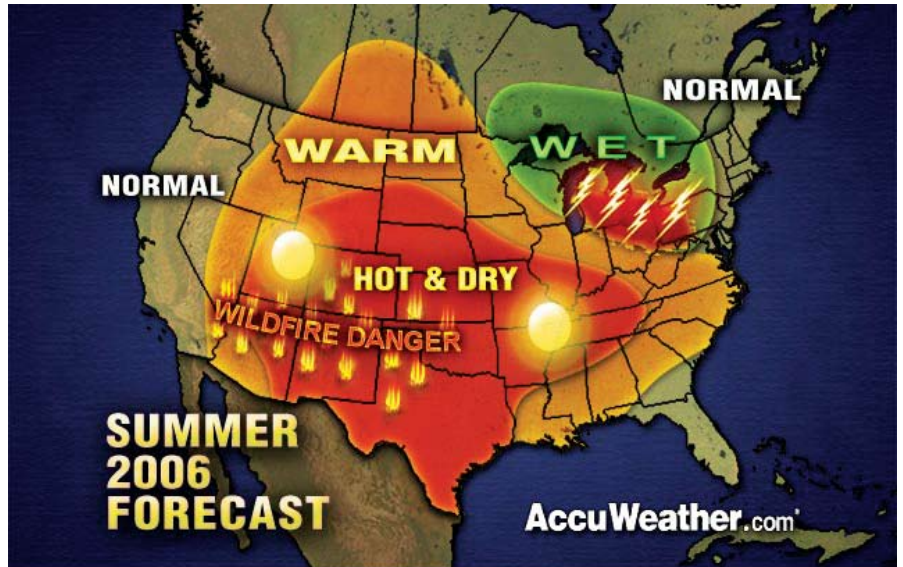
Normal Weather Predicted for Midwest

The good news is that the National Weather Service and well-known AccuWeather.com are both predicting normal summer temperatures and precipitation across the Midwest. The bad news is that the same groups are predicting a very active hurricane season and very hot weather across the South and West.

Joe Bastardi, senior forecaster for AccuWeather, is forecasting that there will not be a repeat of the summer of 2005 across the Midwest and Northeast, when temperatures across the region averaged 3 to 6 degrees above normal. Bastardi believes this summer will mirror the past several summers, when temperatures were relative to normal in the latter half of the season.

While normal weather is expected across the Midwest and Northeast, stormy could be the keyword for the Atlantic Coast. The National Weather Service is predicting 13 named hurricanes for the annual hurricane season, which runs to November 1. However, early indications are that many of the storms may impact the Atlantic coast rather than tracking across the Gulf of Mexico.

While a more tranquil hurricane season in the Gulf of Mexico bodes well for oil and natural gas prices, hot weather predicted across the South and West could push coal prices higher this summer as demand for electricity soars.



CTE Customers Attend Chilled Water Luncheon

Citizens Thermal Energy (CTE) hosted an informational luncheon for its chilled water customers at the National Collegiate Athletic Association (NCAA) Hall of Champions on May 6, 2006. In addition to enjoying lunch and a tour of the facility, the 40 customers in attendance were presented with an update of CTE's most recent expansion activities. Also, Jamie Dillard, General Manager, Facilities and Engineering, provided the customers with some suggestions for controlling their chilled water costs.

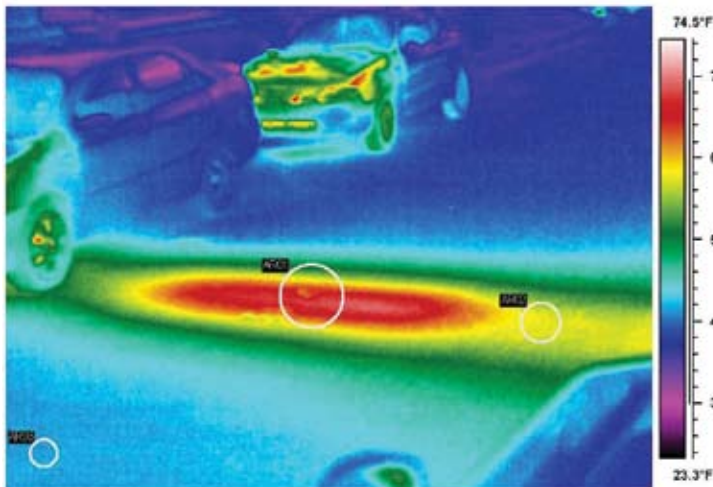
"I think this was one of CTE's most successful customer meetings to date," said Bill Petty, Manager of Market Development for CTE. He added, "We appreciate our customers taking time out of their day to attend and especially appreciate the hospitality shown by the NCAA Headquarters, a CTE chilled water customer since 1999."

CTE typically hosts an informational meeting in the spring for its chilled water customers and a similar meeting in the fall for its steam customers. The company encourages its customers to take advantage of these opportunities to learn more about steam and chilled water issues and initiatives. These events also help CTE staff members become further acquainted with their customers and their respective needs. In addition, customers are provided opportunities to provide feedback on what is working well, as well as areas for further enhancement.



Jamie Dillard addresses the chilled water customers at the NCAA Hall of Champions.

CTE Thermal Scan



Citizens Thermal Energy conducts a thermal scan of the Steam Distribution System annually during late winter or early spring. The purpose of this scan is to determine steam leaks or significant areas of exposed un-insulated steam pipe.

Citizens Thermal employs a professional contractor, Ergonomy Infrared Inspections. The equipment used during the scan is a Flir ThermaCAM PM595 Imaging Radiometer. This device has the capability of reading thermal (heat)

energy deep underground and capturing this information electronically.

Citizens Thermal Energy conducts the thermal scan on approximately 32 miles of underground steam piping. This evaluation is conducted each year during a two-day timeframe, usually during the evening hours for optimum advantage when the sun, rain, or snow is not present. With these results, the steam distribution staff plans short-term and long-term repairs for the steam distribution system. Steam line efficiency and reliability levels can be improved by focusing on the information supplied by the thermal scan.

Employee Spotlight – Jason Moore

What is your job title?

I am a Unit Operator at Perry K Thermal Division.

What are your job duties?

My job duties include operating and monitoring steam boilers, turbine generators and associated auxilliary equipment at Perry K. I am also responsible for maintaining environmental compliance while operating this equipment.

What is your favorite part of your job?

The most enjoyable part of my job is the daily challenges. My job is different everyday, so I never stop learning.

How does your job affect the customer?

The Unit Operator directly affects the customer because I am responsible for making the steam. If I don't complete my process customer service is greatly affected.

What are your hobbies outside of work?

I enjoy spending quality time with my wife and kids on my off days. I also enjoy playing cards with friends and I really enjoy movies.

What did you do before coming to Thermal?

I worked for American Trans Air for five years in various departments. I began my career at Citizens Thermal in December 2001.



Steam and Chilled Water Service Telephone Numbers

Dave Toombs,
Thermal General Manager,
317-236-6703 (office)
317-727-1342 (cell)

Jamie Dillard,
General Manager, Facilities
& Engineering
317-693-8858 (office)

Bob Purdue, Plant Manager
(Steam Operations)
317-693-8701 (office)
317-695-0512 (cell)

Bob Asher,
Manager Customer Services
& Distribution
317-693-8704 (office)
317-431-3256 (cell)

Sharon Connell,
Customer Service & Billing
Representative
317-261-8794

Bob Taber, Foreman,
Customer Service & Metering
317-693-8883 (office)
317-695-7924 (cell)

**Toll Free Number - Customer
Service & Billing**
877-313-2467

Kenny Cox,
Manager Operations & Maintenance
317-693-8884 (office)
317-441-7309 (cell)

Jeff Hansen, Facilities Manager
(Chilled Water Operations)
317-236-6702 (office)
317-695-2019 (cell)

Jim Walker,
Operations Supervisor
Chilled Water Operations
317-236-6704 (office)
317-695-0276 (cell)

Other telephone numbers: Marketing - Steam and Chilled Water

Bill Tracy,
Senior Vice President Operations
317-927-4534 (office)

Bill Petty,
Manager Market Development
317-927-4742 (office)
317-431-3358 (cell)

**Steam and Chilled Water Service
Emergency Contacts**
*In the event of a steam or chilled
water emergency, Citizens Thermal
Energy can be reached at the
following numbers:*

**Steam Plant Operations
Emergency 24-Hour Number
(Steam Operations Control Room)**
317-261-8804

Shift Supervisor's Office
317-261-8819

Ron Pinkins,
Operations Supervisor
317-693-8807 (office)
317-431-4414 (cell)

**Chilled Water Plant Operations
Emergency 24-Hour Number
(Chilled Water Control Room)**
317-236-6700