

## New Brand Rollout

### Citizens Gas & Coke Utility Changes Name to Citizens Energy Group

Citizens Gas & Coke Utility has changed its name to Citizens Energy Group. The new name and logo mark reflect recent changes in company strategy including a renewed emphasis on helping customers conserve energy.

Citizens Energy Group will continue to operate under the not-for-profit public charitable trust created in 1887 and owned by the City of Indianapolis since 1906. This marks only the third name change in the utility's 121-year history. Originally Consumers Gas Trust, the utility became Citizens Gas Company in 1906 and Citizens Gas & Coke Utility in 1935.

"We began discussing a name change for the utility last year when we made the difficult decision to close our coke manufacturing plant after 98 years of operation," said Carey Lykins, President and CEO of Citizens Energy Group. "The new Citizens Energy Group name and logo mark honor our heritage while symbolizing the utility's new strategic emphasis on helping customers conserve energy to reduce their bills and benefit the environment. The new name also reflects the utility's



recent expansion into other energy businesses besides natural gas, including our growing steam, chilled water and facilities management businesses."

Citizens Energy Group will continue to operate three primary divisions -- **Citizens Gas**, **Citizens Thermal (formerly Citizens Thermal Energy)**, and the newly renamed **Citizens Resources**, formerly Citizens By-Products. Energy customers will continue to see the familiar Citizens Gas and Citizens Thermal names in various applications such as company vehicles and uniforms, but they will notice a renewed emphasis on the word "citizens."

"The emphasis on the word "citizens" in our new brand reaffirms the commitment to service that company founders such as Colonel Eli Lilly made when they chartered the public charitable trust to operate only for the benefit of customers and the community. Our new brand reflects the utility's recently updated vision to fulfill the promise of the Trust to serve our customers and communities with unparalleled excellence and integrity," commented Lykins.

## Dave Toombs Receives Prestigious Award from IDEA

Congratulations to Dave Toombs, General Manager of Citizens Thermal, for being presented the Norman R. Taylor Award on July 1, 2008 by the International District Energy Association (IDEA) during the organization's 99th annual conference in Orlando, Florida.

With headquarters near Boston, Massachusetts, IDEA is a non-profit association with more than 1,000 district heating and cooling executives, managers, engineers, consultants and equipment suppliers from 25 countries. IDEA's mission is to support the growth and utilization of district energy as a means of increasing energy efficiency, reducing fuel consumption, and leveraging the use of sustainable energy resources to improve the global environment.

The Norman R. Taylor Award is IDEA's most prestigious award, and recognizes an



IDEA Chairman Bob Smith presents the "Person of the Year" award to Dave Toombs, General Manager of Citizens Thermal.

individual as "Person of the Year" for his or her career achievements and contributions to the association and the district energy and combined heat and power industries. The award was presented to Toombs by IDEA's 2007-2008 Chair Bob Smith.

"The Norm Taylor Award stands for exceptional

leadership - a quality shared by the award's namesake and David Toombs," said Smith. "With Toombs as General Manager, Citizens Thermal has become one of the world's pre-eminent district energy organizations, thanks to his industry knowledge, sound energy planning and engineering expertise. He is highly respected

by his colleagues for the strategic vision, generous and caring mentorship, and the enthusiasm he has contributed to IDEA. Under his leadership and guidance, many other professionals in our industry have developed and flourished."

Award recipients are selected annually by a committee comprised of IDEA members and industry peers. The award was named for Norman R. Taylor, who was IDEA's president from 1977 to 1978, and executive director from 1980 until he passed away in 1986. He was known for boldly setting goals, preparing for the future and treating individuals with genuine kindness.

Toombs first joined IDEA in the 1970s. He is currently serving a three-year term on the 21-member IDEA board of directors. As the general manager of Citizens Thermal Energy, he is responsible for administration,

continued on page 2

## Dave Toombs Receives Prestigious Award from IDEA cont.

operations and maintenance of the steam and chilled water business.

Toombs previously held management posts with district energy systems in Nashville, Tennessee; Cleveland, Youngstown and Akron, Ohio; Baltimore; Philadelphia; Boston; and St. Louis.

He is experienced in operations involving the combustion of solid waste, medical waste, wood and other biomass fuels, coal, natural gas, residual, distillate and waste fuel oils and, most recently, coke-oven gas.

## Citizens Thermal's Coal Contract Might Reap Big Savings

Citizens Thermal might reap substantial savings from the three-year coal contract it signed late last year given that the price of Illinois Basin coal has increased more than 50 percent this year.

Citizens agreed to a contract for 2008, 2009 and 2010 with fixed 3 percent increases each year in the base cost of the coal.

"We had sought a 5-10 year fixed rate contract in the hopes of stabilizing costs for our customers. However, coal suppliers indicated they no longer enter into 5-10 year agreements. We are very pleased with the three-year contract with 3 percent increases given that the spot price for Illinois Basin coal increased more than 50 percent between March 1 and June 1 of this year. The concern now is what will happen in 2011," said Bob Purdue, Director of Steam Operations.

Transportation plays a big part in Citizens' coal purchasing strategy, according to Purdue. "Coal arrives to our Perry K Steam Plant via rail from mines in Southern Indiana. Perry K has fixed pricing for coal delivery based on specific origination points, so we look at the coal mines residing on specified rail lines in the tariff to maximize those fixed rates and keep our overall coal cost as low as possible," Purdue explained.

Coal prices have surged in the past year along with the prices of other commodities, especially oil and natural gas, according to the U.S. Energy Information Administration (EIA). The surge in commodity prices is based on market demand and investors seeking hedges against the falling value of the U.S. dollar. While supply and demand fundamentals for coal and other energy commodities are expected to remain tight, EIA says other market fundamentals are uncertain, so it is difficult to predict the price over the long term.



Dear Citizens Thermal Customer:

I would like to encourage you and your colleagues to participate in a program that is making a real difference in the lives of young people here in Indianapolis. As you may have read recently in the Indianapolis Business Journal, the United Way's ReadUP tutoring program has resulted in dramatic improvements in the reading scores of participating fourth-graders.

My wife Kathy and I were proud to be among 60 Citizens Gas employees who served as ReadUP volunteers this past school year at IPS School 14. Most of all, we are thrilled with the results ReadUP produced for the children. Seeing eager young faces light up as they became better readers throughout the school year was certainly rewarding for the ReadUP volunteers and the dedicated teachers and staff at School 14.



United Way of Central Indiana has determined that a key to breaking the cycle of need in our community is ensuring that kids enter school ready to learn and graduate ready to earn. Volunteer tutors play an important role in the success of our community by having a direct impact on the academic success of our children. ReadUP tutoring focuses on improving a child's reading fluency by providing guidance with phrases, words and reading lists that will enhance their skill level.

For Kathy and me, the decision to become tutors was entirely personal. These are good kids who need help. I hope you'll join us, as a ReadUP volunteer reading tutor. You can get information online at [www.readupindy.org](http://www.readupindy.org).

Sincerely,

**Carey Lykins**  
President & CEO  
Citizens Gas & Coke Utility

## Chilled Water System Maintenance Ensures Reliability

Maintaining equipment at the West Street and satellite chilled water plants is a year-long commitment designed to maintain system reliability, especially during the hottest months of the year.

Chilled Water maintenance activities include:

- Tops off inspections on our turbines every 3 years, if required we send out equipment for reconditioning.
- Eddy current testing on all chiller vessels every 3-5 years.
- Oil changes every 3 years on compressor and turbine.



Chilled water maintenance personnel lower a re-conditioned steam turbine rotor back into place on one of the 5,000 ton steam driven chillers at the West St. chilled water facility.



A Chilled Water Technician performs an alignment check on a cooling tower fan gearbox at the West St. chilled water facility.

- Bearing inspections every year on both the compressor and turbine.
- Pull heads and clean and brush tubes- every year.
- Calibrate chiller safeties --every year.
- Check mechanical/electrical over speed trips
- PM refrigerant driers and purge units.
- Thorough leak check on entire machine.
- Have continuous vibration monitoring of each unit.
- Conduct oil and refrigerant analysis on units.

## Customer Satisfaction Increases While Loyalty Declines

Overall satisfaction among Citizens Thermal customers is at 97 percent, the highest level in the past four years, according to the recently completed annual Customer Relationship Assessment conducted by Walker Information.

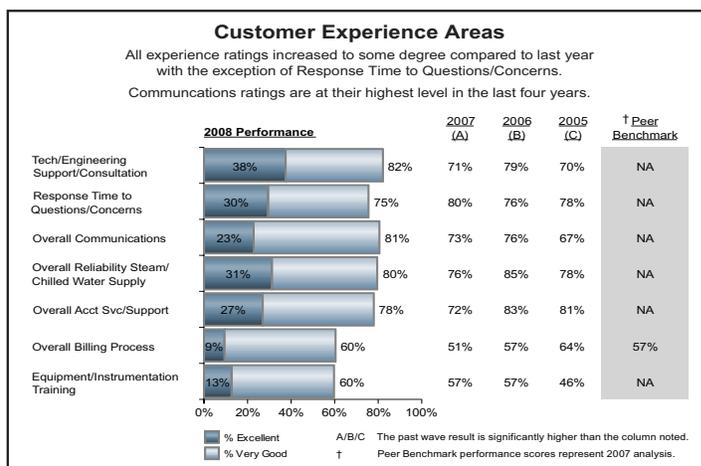
The purpose of the study is to determine priorities and benchmark Citizens' performance in a competitive energy environment.

Key objectives of the study include:

- Assess Citizens' overall performance and compare results to previous years.
- Understand the linkages between customer experiences, attitudes, loyalty and behavioral intentions.
- Prioritize improvement priorities for Citizens.
- Identify Citizens' strengths in the marketplace.

Key findings of this year's study included:

- **Overall satisfaction** -- Customer satisfaction improved 4 percent from a year ago (93 to 97 percent). This is the highest satisfaction rating in the past four years.
- **Customer experience** -- Ratings have increased for all process areas except "response time to questions/ concerns" which declined 5 percent. Experience areas include: technology/engineering support and consultation; response time to questions and concerns; overall communications; overall supply reliability; overall account services and support; overall billing processes; equipment instrumentation and training.
- **Customer expectations** -- More than 60 percent of customers reported their customer experience was "much better" or "better than expected."
- **Image perceptions** -- Still on average the highest rated areas, but all image areas declined somewhat compared to last year.
- **Loyalty ratings** -- More than 60 percent of CTE customers are classified as "truly loyal" down from 84 percent last year.



Conclusions of the study include:

- **Loyalty** -- The declines in the key drivers of value, price and reputation have led to a significant drop in customer loyalty. The decline in the truly loyal rating is primarily attributed to a decrease in the "price/rates" perceptions that were negatively impacted by a corresponding decline in "value" ratings. These declines can be traced to Citizens' increase in steam rates late last year.
- **Reputation** - Citizens' reputation is the highest drive of loyalty and is still an area of strength for the company.

"We certainly are very pleased that 97 percent of our customers are satisfied with the service they receive from Citizens. However, we are very concerned about the decline in customer loyalty this past year, which we mostly attribute to the recent rate increase," said Bill Tracy, Senior Vice President, Operations for Citizens. "Citizens remains committed to holding down customers costs, maintaining reliability, and improving our responsiveness to the changing needs of customers."

## Citizens Promotes Ann McIver to Director of Environmental Stewardship



Citizens Energy Group recently announced that it has promoted Ann McIver to Director of Environmental Stewardship.

McIver, who had been Manager, Environmental

& Regulatory Affairs for Citizens Thermal, will now be responsible for coordination of all environmental strategy and compliance activities for the utility.

McIver joined Citizens Gas in 2000 when the utility acquired the thermal energy assets of Indianapolis Power & Light. Prior to joining

Citizens, McIver was a general environmental scientist for IPL and a senior environmental manager for the Indiana Department of Environmental Management.

A native of Ramsey, Indiana, McIver has a bachelor of arts in mathematics and criminal justice from Indiana University. She earned a master's in public affairs from IU in 2007. In 2004, she was certified as a Qualified Environmental Professional by the Institute of Professional Environmental Practice.

McIver is an active participant in local and national organizations. She has held leadership positions on the Indiana Chamber of Commerce's Air Policy Subcommittee, the Air and Waste Management Association, the International District Energy Association's (IDEA) Safety, Environment and Operations Forum and the Council of Industrial Boiler Owners (CIBO).

## Steam Luncheon Set for Oct. 15

**Date:** Wednesday, October 15, 2008

**Location:** Lucas Oil Stadium/Quarterback Club  
500 South Capitol Avenue  
317.626.8600

**Time:** 11:15 a.m - 1:00 p.m.

Registration: 11:15 a.m. - Noon

Lunch: 11:30 a.m. - Noon

Business Meeting: Noon - 12:30 p.m.

Lucas Oil Stadium Mechanical Tour:

12:30 p.m. - 1:00 p.m.

The topic of the business meeting will be System Safety. A conversation on Condensate Induced Water Hammer will be presented by Mark Vogler, Superintendent of Thermal Engineering, Citizens Thermal. Please RSVP online at [citizensthermal.com/lunch](http://citizensthermal.com/lunch) by Friday, October 10th. Citizens Thermal has arranged free parking in the South Lot. Enter lot from Capitol or Missouri Streets. Let the attendant know your name, or tell them you are attending the Citizens Thermal event.

If you have questions, please contact Jennifer Mentink at (317) 927-4445

## Employee Spotlight - Jamie Hanley

**What is your job title?**

Health Safety and Environmental Specialist

**What is your favorite part of the job?**

The ability to provide insight, ideas, and support for those who work with and around me, so that we can all return safely to our families each and every day!

**What did you do before coming to Thermal?**

I worked for Safety Management Group in owner services at Eli Lilly and Co. as the Prequalification Advisor and Safety Advisor for Lilly Research Laboratories at the Lilly Corporate Center.

**What are your hobbies outside of work?**

I enjoy spending time with my family and friends, going to the gym, and participating in our church activities throughout the year.



Jamie Hanley

### Steam and Chilled Water Service Telephone Numbers

**Dave Toombs,**  
Thermal General Manager,  
317-693-8805 (office)  
317-727-1342 (cell)

**John Eddington,**  
Director, Facility Operations  
317-236-6710 (office)  
317-695-0688 (cell)

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

**Bob Asher,**  
Manager Customer Services  
& Distribution  
317-693-8704 (office)  
317-517-0688 (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)  
812-929-1417 (cell)

**Todd Fuller,** Facilities Manager  
(Chilled Water Operations)  
317-236-6702 (office)  
317-695-2099 (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 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)

**Lindsay Lindgren,**  
Vice President, Gas & Steam Operations  
317-927-6001 (office)  
317-696-6377 (cell)

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