

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD FEBRUARY 15, 2023**

Pursuant to notice duly given and posted as required by law, a joint meeting of the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group (“Citizens”) and the Board of Directors of CWA Authority, Inc. (jointly referred to as the “Board” unless otherwise noted) convened at 10:00 a.m., EST, Wednesday, February 15, 2023, at the offices of Citizens, 2150 Dr. Martin Luther King, Jr. Street, Indianapolis, Indiana.

Board members present at the meeting were: Anne Nobles (Chair), Daniel C. Appel, Sherry D. Davis, Jeffrey E. Good, Christia Hicks, J.A. Lacy, Maria M. Quintana, and Nichole C. Wilson. Moira M. Carlstedt was unable to attend the meeting.

Present from Citizens: Jeffrey A. Harrison, President and Chief Executive Officer; Craig L. Jackson, Senior Vice President and Chief Financial Officer; Joseph M. Perkins, Jr., Senior Vice President and General Counsel; Michael D. Strohl, Senior Vice President and Chief Customer Officer; J.P. Ghio, Vice President of Energy Operations; Mark C. Jacob, Vice President of Capital Programs and Engineering; Sabine E. Karner, Vice President and Controller; John F. Lucas, Vice President of Information Technology; Curtis H. Popp, Vice President of Customer Operations; Joseph M. Sutherland, Vice President of Regulatory and External Affairs; Jodi L. Whitney, Vice President of Human Resources and Chief Diversity Officer; Jeffrey A. Willman, Vice President of Water Operations; Debi Bardhan-Akala, Director of Regulatory Affairs; Sara Mamuska-Morris, Director of Market Development; Shannon Stahley, Director of Corporate and Public Affairs; Bridget O’Connor, Senior Manager of Government and External Affairs; Jennifer Mentink, Manager of Brand and Corporate Engagement; and Laura O’Brien, Manager of Corporate and Public Affairs.

The meeting was called to order by the Chair of the Board. The Chair requested Board members recuse themselves from any action items on the agenda if they identified a conflict. No items or conflicts were identified.

The Board considered the minutes of its previous meetings. Upon a motion duly made and seconded, the Board unanimously approved the minutes of the joint meeting of the Boards of Directors of Citizens Energy Group and CWA Authority, Inc. held on December 14, 2022.

Next, the Board of Directors of Citizens (the “Citizens Board”) considered the minutes of its previous meeting. Upon a motion duly made and seconded, the Citizens Board unanimously approved the minutes of the annual meeting of the Citizens Board held on January 9, 2023.

Shortly thereafter, and upon a motion duly made and seconded, the Board of Directors of CWA Authority, Inc. (the “CWA Board”) unanimously approved the minutes of the annual meeting of the CWA Board held on January 9, 2023.

The Chair certified that the subjects discussed during the Executive Session of the Citizens Board held on February 15, 2023 was limited solely to the item set forth in the public notice of that session.

The Chair addressed management’s request to approve the filing set forth in Gas Cost Adjustment 157. Upon a motion duly made and seconded, the Citizens Board unanimously ratified and approved the following resolution:

RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that the updated filing with the Indiana Utility Regulatory Commission (“IURC”) for the proposed gas cost adjustment (“GCA”) rates in Cause No. 37399-GCA 157 for March, April and May 2023 is hereby approved. Pursuant to the terms of the monthly GCA mechanism, the management and staff hereby are authorized to modify the GCA rates for March, April and May 2023 in accordance with the terms of the Cause No. 37399-GCA 75 Order and the Order in Cause No. 37399-GCA 157, which will be approved by the IURC in February 2023.

Next, the Chair invited Mr. Good to provide a report of the Audit and Risk Committee (the “Audit Committee”). Mr. Good reported that the Audit Committee received an overview regarding how Citizens manages risk for gas volatility in which all components of Citizens’ hedging efforts are to benefit customers, noting that the Indiana Utility Regulatory Commission (IURC) Residential Bill Comparison, between February 2022 - January 2023, ranked Citizens Gas as the lowest residential gas bill.

He continued the report noting that the Audit Committee reviewed the preliminary Fiscal Year (FY) 2023 First Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc. He

reported that overall combined net income was lower than the previous year, primarily due to higher operating expenses and reduction in interest charges. He further reported that the Committee was satisfied with the preliminary FY 2023 First Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc., and recommended approval to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the preliminary FY 2023 First Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc.

Mr. Good also reported that the external audit firm, Deloitte and Touche LLP (“Deloitte”), completed its quarterly review with no concerns, errors, or deficiencies to report to the Committee. Mr. Good noted that the audit committee, as described and used in Indiana Code §5-11-1-24.4(e), considered and approved both Deloitte’s proposed 2023 Audit Engagement Letter Addendum and proposed 2023 Audit Fees for Citizens Energy Group and CWA Authority, Inc. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the proposed 2023 Audit Engagement Letter Addendum for Citizens Energy Group and CWA Authority, Inc. Thereafter, and upon a motion duly made and seconded, the Board unanimously approved the proposed 2023 Audit Fees for Citizens Energy Group and CWA Authority, Inc.

Mr. Good also reported that Mr. Leavitt provided the Audit Committee with an update on internal audit activities. He noted that Mr. Leavitt reported that Internal Audit’s current year’s audit plan remains on track for timely completion, and included a brief update on upcoming projects which will focus on cybersecurity and business continuity.

The Chair invited Mr. Jackson to provide a financial report. Mr. Jackson provided an update concerning debt activities for the water and gas utilities. He reported that Fitch Ratings upgraded its rating for Citizens Water from A+ to AA- which reflects continued financial performance. He also reported that Citizens Gas is amending its line of credit, noting that the purpose for the amendment is to increase credit capacity to support working capital and its hedging program. Next, he reported on the fiscal year 2023 projection, including an overview of net income and operations and maintenance projections. At the conclusion of his report, he reviewed debt service and capitalization covenants for all business units.

The Chair invited Mr. Harrison to present the report of the President. Mr. Harrison discussed how Citizens is meeting customer demand for the winter season. He reported that steam sales totaled 1,486,776 dekatherms for the months October 2022 through December 2022 which represents a 7% increase as compared to the same months last year, noting that much of this increase is attributed to a continued return-to-normal following to pandemic. He also reported that natural gas consumption in Marion County for the months of October 2022 through January 2023 totaled 20,400,000 dekatherms which represents a 17% decrease compared to the same months last year, noting that this demand decrease is attributed to electric power plants fueled by natural gas. He continued reporting on recent energy peaks due to cold temperatures over the holiday weekend, December 23 – 26, 2022. He reported that on December 23, 2022, Citizens Gas delivered 15% more dekatherms than the historical peak on January 19, 2019, noting that power plants and steam businesses made up approximately 32% and 6% of the peak, respectively. He reported that Citizens continues to use its assets to optimize natural gas purchases reducing volatility to customers despite a brief period of wintry weather. He also reported to the Board by providing updates concerning engagement with Citizens' customer advisory groups and community outreach efforts, including a recent collaboration between Citizens and AES Indiana to launch *Utilities Unite for Customers* with the goal of giving customers a more complete picture of the energy resources available to them. He concluded that in November 2022, Citizens Energy Group received two distinguished awards from Mid-States Minority Supplier Development Council, the 2022 Corporate Direct Minority Business Enterprise (MBE) Local Spend Award, and Buyer Award recognizing Meechelle Parker, Supplier Diversity Program Manager, for her effort and dedication toward the advancement of MBEs.

Following Mr. Harrison's report, the Chair invited a report from Regulatory and External Affairs. Mr. Sutherland began by reviewing and recommending a proposed resolution of Citizens Energy Group approving revised rates and charges for steam utility service by Citizens Thermal Energy. Following discussion, and upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution:

WHEREAS, the current rates and charges and terms and conditions for steam service provided by the Board of Directors for Utilities (the “Board”) of the Department of Public Utilities for the City of Indianapolis (d/b/a Citizens Energy Group), acting in its capacity for the provision of steam energy services, d/b/a Citizens Thermal Energy (“CTE” or the “Utility”), were approved by the Commission in its Order for Cause No. 44781 issued on November 22, 2016; and

WHEREAS, on May 2, 2022, the Utility requested a further adjustment of its base rates and charges to reflect the repeal of the utility receipts tax in House Enrolled Act No. 1002, which request was approved by the Commission on June 28, 2022, such that the revised rates became effective July 1, 2022; and

WHEREAS, the Board has the statutory power to adopt rates and charges and terms and conditions for the provision of utility service, including steam utility service, under Indiana Code Section 8-1-11.1-3(c)(9); and

WHEREAS, such rates and charges and terms and conditions adopted pursuant to Indiana Code Section 8-1-11.1-3(c)(9) “shall be in effect only after the rules and rates have been filed with and approved by the Commission” and “only after determining compliance of the rates of service with IC 8-1.5-3-8 and IC 8-1.5-3-10”; and

WHEREAS, management of the Utility has completed accounting and other reports analyzing the Utility’s annual revenue requirements, as well as a cost-of-service study by customer class, and has recommend to the Board that it approve revised rates and charges and terms and conditions for steam utility service, to submit to the Commission for approval; and

WHEREAS, the management of the Utility previously recommended, and the Board approved, submission of a formal Notice of Intent to File Rate Case to the Commission, pursuant to the Commission’s General Administrative Order 2013-5, to indicate that a Verified Petition and supporting testimony would be filed with the Commission by the Utility no sooner than February 24, 2023, and management of the Utility caused the Notice of Intent to File Rate Case to be submitted to the Commission on January 30, 2023; and

WHEREAS, based upon the information received from management of the Utility, the Board now finds that the existing schedule of rates and charges for steam service provided by the Utility does not produce revenues sufficient to provide for all the legal and other necessary expenses incident to the operation of the steam utility (including, but not limited to, maintenance costs, operating charges, upkeep, repairs, depreciation and other obligations), to provide adequate money for working capital, and to provide adequate money for making necessary extensions and replacements, and, therefore, such rates and charges are not “reasonable and just rates and charges for service” within the meaning of Indiana Code Section 8-1.5-3-8; and

WHEREAS, the Board authorizes and directs management of the steam utility to file with the Commission a Verified Petition and the Direct Testimony and Exhibits constituting the Utility’s case-in-chief, and take such additional action as deemed necessary and desirable, in support of the Commission granting the relief set forth above.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Indiana Code Sections 8-1.5-3-8 and 8-1-11.1-3.1, the revised schedule of rates and charges described are hereby approved by the Board, subject to approval thereof by the Commission.

Thereafter, Mr. Sutherland introduced Ms. O'Connor, noting that she serves as Citizens' point person for statehouse affairs. Ms. O'Connor continued by providing a legislative update pertaining to the 2023 Indiana General Assembly and included an overview of water, energy, and non-utility related legislation priorities for this year's long and budget session.

Following Ms. O'Connor's report, Ms. Mentink presented the 2023 Integrated Communications Plan. She noted that the objectives of the plan are to increase brand trust, brand confidence, and communication awareness. She reported that the objectives are supported by three key messages: safe and reliable service, the value of the utility, and being an employer of choice. She also reported that Citizens modified its strategy to leverage streaming services' outreach versus television platforms (e.g., YouTube, Meta f/k/a Facebook, Hulu). Upon inquiry from the Board, Ms. Mentink explained that Citizens will measure the effectiveness of this strategy through Foresee research and other analytical tools.

Ms. Stahley then reviewed the results of the 2022 Corporate Accountability Survey. She reported that Citizens conducts the survey to obtain an objective measurement of local community leaders' opinions of Citizens Energy Group in a variety of areas including overall perception and satisfaction, awareness of philanthropic activities, visibility of our employees volunteering in the community, awareness and recall of advertising and media activities, and overarching performance ratings. She reported that Citizens has seen a decline in rating, however many of the 2022 ratings were in the 80s and 90s, noting that 83% of the respondents rated Citizens favorably for overall perception and the same for overall satisfaction. She concluded her report to the Board by providing an overview of key initiatives underway to help impact Citizens' performance ratings including execution of Citizens' Integrated Communications Plan, targeted communication from President and CEO, corporate sponsorship and philanthropy efforts, and enhanced grassroots engagement throughout the community.

There being no further business, the Chair adjourned the meeting.

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Anne Nobles

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Anne Nobles, Chair
Board of Directors

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Joseph M. Perkins, Jr.

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Joseph M. Perkins, Jr.
Assistant Secretary, Board of Directors