



Citizens President & CEO Jeffrey Harrison (center) knows employees such as Lavashia Primus, Ryan Taylor, Danny McMillian, Jamie Schultz and Alex Haberfield (left to right) are what drive success at Citizens Energy Group.

People, Purpose and Passion Drive Success

A Letter From Jeffrey Harrison
President & CEO, Citizens Energy Group

Dear Citizens Customer:

As we complete our 135th year of service to the Indianapolis community, Citizens Energy Group continues to be driven by our people, purpose and passion.

Guided by our core values of Safety, Integrity, Quality, Diversity and Teamwork, our people are focused on our purpose as a Trust to enhance quality of life and economic development across Central Indiana. Each day our employees are acting with shared passion toward our vision to fulfill the promise of the Trust to serve our customers with unparalleled excellence and integrity. The Citizens team is maintaining an unwavering focus on customer service, financial integrity, performance excellence and workforce development.



Devoted to Service

Citizens employees are deeply committed to service because they care about the communities where they live and work. Our employees' commitment to service is on display daily as they meet the needs of customers struggling to pay their bills, keep vital utility systems operating in all kinds of weather and volunteer for community organizations.

In a community with persistent poverty where customers are facing rising costs for essentials such as food, energy and housing, Citizens employees, such as Lavashia Primus, consider the full needs of customers with a multi-layered approach. Our Universal Service Program and Low-Income Customer Assistance Program help lower natural gas and wastewater bills for qualified customers. To meet further needs, our Warm Heart Warm Home Foundation™ provides grant assistance to customers. Citizens also engages in thousands of flexible payment arrangements with customers in need to help ensure continued utility service.

Our employees' passion for service also extends to the community. You will find Citizens employees, such as Danny McMillian, volunteering their time to organizations enhancing quality of life in the communities we serve. Last January, our employees and partners gathered for our annual Sharing the Dream event at the Watkins Park Family Center where we made more than \$100,000 in improvements. Honoring the legacy of Dr. Martin Luther King, Jr., Sharing the Dream has provided more than \$3 million in improvements to Indy Parks over the past 14 years.

Focused on Cost Control

Given the harsh realities of an inflationary economy, we are employing a renewed passion for financial integrity and managing costs. We are fostering a culture that encourages employees to feel like they are spending our customers' money when purchasing necessary goods and services or allocating company resources. Over the past decade, Citizens has significantly improved the financial integrity of all our utilities by controlling operating costs and funding infrastructure improvements with current revenues to help minimize debt.

Our Citizens Lean and Six Sigma (CLASS) continuous improvement culture is motivating employees to seek process enhancements that eliminate waste and reduce costs while improving service. Over the past two years as the COVID-19 pandemic and war in Ukraine have interrupted global supply chains, Citizens' Supply Chain department has collaborated with departments across the company and external vendors to ensure materials necessary for safe and reliable utility service are acquired at the lowest possible cost.

Our [Gas Operations and Gas Supply](#) areas continue to prudently manage natural gas costs for our customers during a time of rising global natural gas prices driven by increased demand and the war in Ukraine, among other things. While we expect natural gas bills to increase this winter due to higher natural gas prices, our natural gas team is mitigating the impact of higher prices by leveraging purchasing strategies through multiple pipeline suppliers and use of our underground gas storage operations. Thanks to these efforts, Citizens' customers have the lowest average natural gas bills in the state.

Committed to Excellence

Performance excellence is on display each day at Citizens as our employees deliver safe and reliable natural gas, thermal energy, water and wastewater utility services in all kinds of weather. Our utility operations teams also partner with our Capital Programs & Engineering group to ensure timely and efficient execution of vital system improvement projects, such as our new lead service line replacement program designed to protect public health.

Our [DigIndy Tunnel Project](#) continues to be a model for performance excellence as it delivers tremendous value to the community while remaining well below budget. In July, we celebrated the opening of the White River and Pogues Run Tunnels, and in August, we completed mining of the final tunnel along Pleasant Run. Currently, we have about 17 of the 28 miles of the DigIndy Tunnel System open and operating. Since late 2017, DigIndy has prevented more than 3 billion gallons of sewage from reaching area waterways.

Over the next three years, Citizens will complete the DigIndy Tunnel System and associated investments mandated under a federal consent decree to eliminate 95-99 percent of sewer overflows to Fall Creek and the White River and its tributaries. It is also gratifying that cleaning up our waterways is beginning to spark neighborhood revitalization and economic development across Marion County.

Harnessing the Power of People, Purpose and Passion

In an increasingly competitive labor market where employees are putting more emphasis on work-life balance, Citizens is positioned to be an employer of choice in Central Indiana. We are harnessing the power of our people, purpose and passion with a diverse team of employees working in an inclusive environment. We are promoting a culture of continuous learning in which mentor leaders develop a new generation of employees devoted to our mission of service to our customers and community.

As a foundational business for the Indianapolis economy, our diverse team is working to build a more equitable and inclusive community. Citizens Investment Collaboration On Neighborhoods (ICON) is providing low-interest loans for redevelopment projects, affordable housing initiatives and commercial and retail developments in economically distressed areas of the city.

I continue to have the privilege of leading Business Equity for Indy (BEI), a joint effort of the Central Indiana Corporate Partnership and the Indy Chamber, in collaboration with the Indianapolis Urban League. BEI is working to create a more inclusive business climate and build greater equity and economic opportunity across our city. Citizens employees are making meaningful contributions to BEI's task forces focused on hiring and promotion, procurement and participation, learning and talent, impediments to health and public policy.

Like any business, Citizens faces many challenges in its businesses, its workforce and the communities we serve. While these challenges can be daunting, our history tells us they will be no match for the power of our people, purpose and passion for serving the people of Central Indiana.

Sincerely,



Jeffrey A. Harrison
President & CEO, Citizens Energy Group

PASSION FOR SERVICE

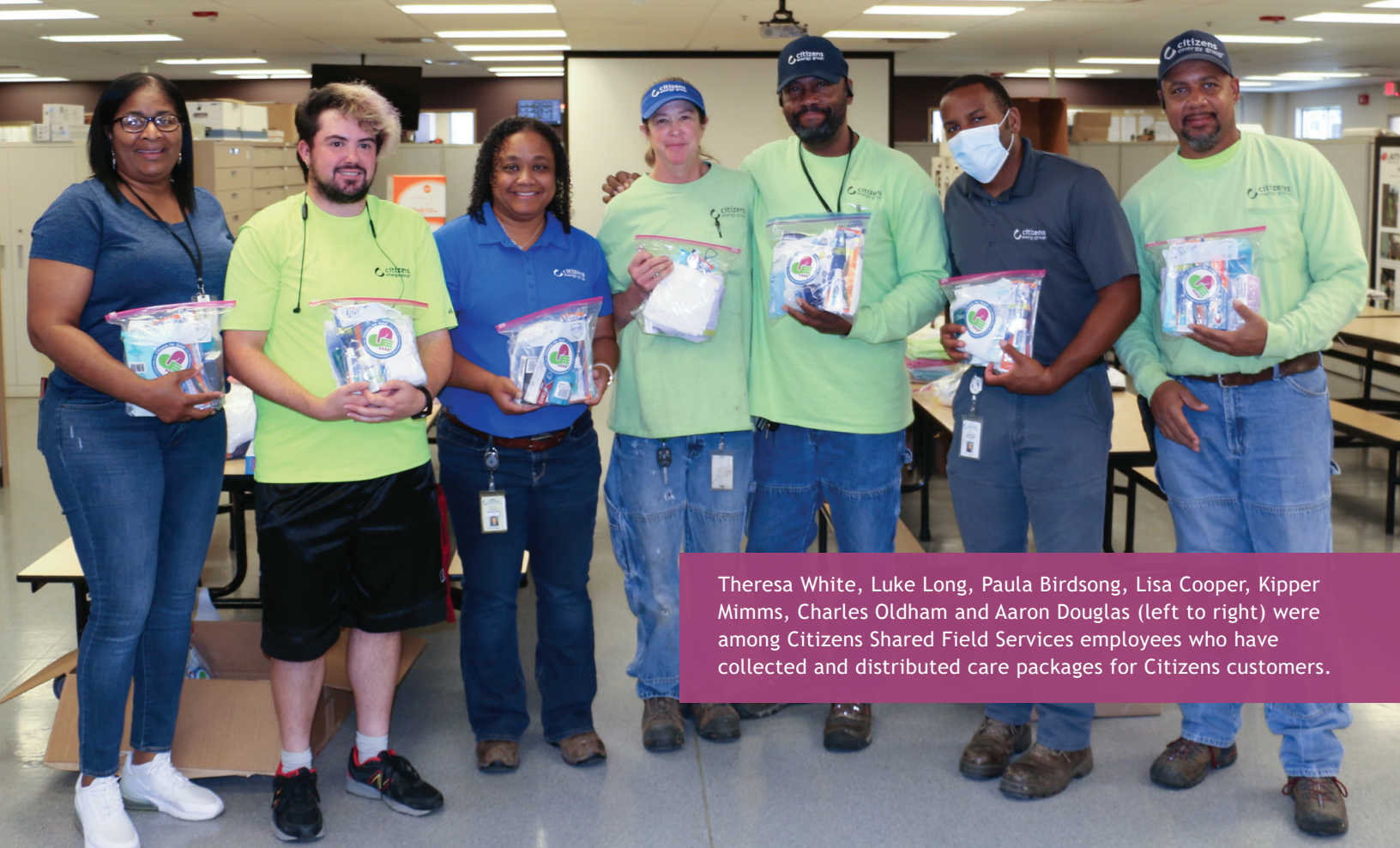
For Danny McMillian, Lavashia Primus and Paula Birdsong, service starts with putting themselves in the customer's shoes.

Danny, who was recognized this year with a Jefferson Award for Public Service, said working at Citizens has "made my heart bigger." Danny's fellow Utility Service Specialists certainly can attest to his big heart. Co-worker Eddie Capler recalls when a customer had a gas leak that resulted in their furnace being shut off for safety reasons. Rather than just shutting off the furnace and moving on to the next service call, Danny came back to the home with a space heater to help the family through a cold night until furnace repairs could be made. On another occasion, Eddie said Danny encountered a family who lost everything at their home due to a fire. After securing the gas line, Danny came back to the home with a meal for the family.

Danny's commitment to service is changing lives one customer at a time. "I just love to help people. I try to change people's perspective and let them know there are people who care about them," Danny said.



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Theresa White, Luke Long, Paula Birdsong, Lisa Cooper, Kipper Mimms, Charles Oldham and Aaron Douglas (left to right) were among Citizens Shared Field Services employees who have collected and distributed care packages for Citizens customers.

During about 10 years as a Customer Service Representative, Lavashia Primus certainly did her best to change the perspective of customers in need. This year, Lavashia was nominated for a Rose Award for public service for showing empathy for a customer without water. While working in the contact center on a Saturday, Lavashia took a call from a customer who wanted to make a payment to have water service restored. Lavashia advised that Monday was the earliest she could have the water restored due to a backlog of reconnect orders.

Taking the time to learn all the challenges the customer was facing, Lavashia discovered the woman had a 7-year-old daughter suffering from COVID-19 and that she had no extra money for bottled water. Rather than simply referring her to an assistance agency, Lavashia asked if she could purchase bottled water and deliver it to her home. The customer was overcome with gratitude. Lavashia then reached out to her brother who delivered several cases of water to the porch of the customer's home.

The empathy displayed by Lavashia is common among Citizens' Shared Field Service employees who each day see the human needs throughout the community. Recognizing the hardships of the COVID-19 pandemic, our field employees have collected and distributed canned goods to customers in food deserts throughout the city. This year, the project was expanded by seeking donations of toiletries and other basic hygiene items for distribution to customers.

Paula Birdsong commented that the care package project epitomizes Citizens' commitment to service. "Some of our customers must choose between their utility services and basic needs, like the kinds of items we are providing in the care packages. Distributing these packages shows we understand their struggles and the vital importance of hygiene during the ongoing pandemic," Paula said.



Lavashia Primus



PASSION FOR SAFETY

Whether performing day-to-day utility operations or planning system improvement projects, Citizens employees have no greater passion than ensuring the safety of our customers and the communities we serve.

This year, Citizens embarked on a long-term safety investment when it announced its lead service line replacement program. The multi-year program will replace 55,000-75,000 customer-owned lead service lines, which were installed prior to 1950 to connect homes and businesses to local water mains. Our replacement program is proactively addressing an update to the U.S. EPA's Lead and Copper Rule that will require all water utilities to develop lead service line replacement programs prior to October 16, 2024.

Citizens' water infrastructure does not contain lead and the utility regularly monitors customer tap water in accordance with the Lead and Copper Rule. Testing results typically demonstrate lead levels are below the action levels established in the rule. When elevated lead levels are found in tap water samples due to lead leaching from customer-owned service lines and plumbing fixtures, customers are provided information on mitigation measures, such as filters, that they can utilize to ensure their water is safe.

Citizens estimates it will need to invest about \$490 million to replace all customer-owned lead service lines. However, the cost of the replacement program would be reduced, and the program accelerated, if additional funding is secured.

For Construction Specialist Jamie Schultz and Public Outreach Coordinator Alex Haberfield, executing the lead service line replacement program is about protecting public health. "Since the water crisis in Flint, Michigan, there has been a growing awareness of the dangers of lead in drinking water, especially for small children. Our lead service line replacement program is being very well received in the community because it will eliminate the risk of lead in drinking water," said Alex.

Jamie explained neighborhoods selected for the program are evaluated on a variety of criteria including the number of homes built before 1950, household income and other demographic factors. The program also is replacing lead service lines during ongoing water main replacement projects and upon request from customers seeking a service line replacement.





Alex Haberfield and Jamie Schultz are part of a team implementing Citizens' lead service line replacement program that is ensuring the safety of drinking water across the city.

"Thanks to collaboration among departments across Citizens, including Water Operations, Environmental Stewardship and Shared Field Services, we are identifying the highest priority neighborhoods to eliminate the risk of lead in the community's water," Jamie said. "In addition, replacing aging water service lines means fewer leaks and better water pressure in older neighborhoods in the city."

"Our lead service line replacement program is being very well recieved in the community because it will eliminate the risk of lead in drinking water."

PASSION FOR COMMUNITY SOLUTIONS

When Citizens faced the challenge of building a rock ramp on the White River to ensure water supply, it engaged the Riverside community for their input.

Initially planned at a site north of 30th Street, the ramp was necessary to restore a pool in the White River that disappeared because the Emrichsville Dam south of 16th Street had washed away in 2018. When the city's dam built in 1889 collapsed, the river levels dropped, making the utility's White River Intake north of 30th Street unusable. The intake was built in 2018 to transfer water from the river to the adjacent Central Canal, which is the main source for Citizens' White River Treatment Plant, the utility's largest plant providing 60 percent of the city's drinking water.


"As we do on all large infrastructure projects, we reached out to the full range of community stakeholders before finalizing the ramp location," explained Ryan Taylor, Manager, Purification Plant Engineering. "The Riverside community strongly expressed that they wanted to see the ramp location moved south to restore higher water levels in Riverside Park."

Working with community groups such as the Riverside Civic League, Ryan and his team compromised on a location for the rock ramp to just south of the boat ramp in the heart of Riverside Park. This location helped restore much of what was known as Lake Indy, a popular spot for fishing and boating, while also meeting the needs of the utility to create the pool necessary for the White River Intake.

This past summer, the completed rock ramp ensured use of the White River In-Take during a mild drought, which enabled Citizens to better balance withdrawals from its upstream Geist and Morse Reservoirs.

In addition to successfully serving the water supply needs of the utility, the ramp is significantly safer than a traditional low-head dam, which completely blocks the river and creates downstream turbulence. The ramp, which resembles a natural section of gentle rapids, allows for the movement of fish and other aquatic life. Signage prior to the rock ramp advises canoers and kayakers to exit the river to safely walk their watercraft around the structure via a portage, which is path located on the east side of the river through the park.

"The rock ramp project is a great example of how stakeholder engagement can lead to a better solution that meets the needs of the community, the environment and the utility," said Ryan.



Citizens President & CEO Jeffrey Harrison and Mayor Joe Hogsett are celebrate the opening of the White River Rock Ramp with members of the Riverside Community.



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COMPANY VISION

We will fulfill the promise of the Trust to serve our customers and communities with unparalleled excellence and integrity.

COMPANY MISSION

We provide safe, reliable services to our customers, while being good stewards of the environment. We maintain the lowest possible rates with sound financial management. We build and renew our businesses to remain competitive, add value, and create the greatest long-term benefit for our customers and community.

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