



2024 ANNUAL REPORT

THE BIG PICTURE



A Letter from Jeffrey A. Harrison

President & CEO, Citizens Energy Group

Citizens Energy Group entered Fiscal Year 2024 with a refreshed vision, mission, and values, which we updated for the first time since acquiring the water and wastewater utilities from the City of Indianapolis in 2011. These tenets, which you will find on the next page, reflect Citizens focus as a company and help employees and the public to understand the “why” behind our operations and the breadth and depth of our work in Central Indiana—The Big Picture.

As a Public Charitable Trust, Citizens operates in the best interest of our beneficiaries (the residents of Marion County) while evolving to meet the needs of the community. All of us at Citizens are equally proud to provide safe and reliable utility services and serve our fellow neighbors. While we work in widespread locations, perform different duties, and collaborate with a variety of colleagues and stakeholders, our refreshed vision, mission, and values help us remain focused on our organization as a whole, always letting The Big Picture guide us.

Citizens is making great progress on our DigIndy and lead service line replacement programs, leading to quality-of-life improvements for our customers and the community. We are continuing to invest in our services while being ever-mindful of customer impacts. We are helping businesses expand, and foster economic development, by connecting them to utility services. And we are deeply committed to the community, working alongside our neighborhood and organization partners to make Indy a better place to live, work, and play.

As you will see on the following pages, there are exciting things to come in the new year. As we enter 2025 with The Big Picture top of mind, Citizens remains steadfastly committed to providing unparalleled service and creating long-term benefit for our customers and the community for generations to come.

Jeffrey A. Harrison
President & CEO

Vision, Mission, Values

Vision

Enhance the well-being of our customers, communities, and employees by providing unparalleled service now and for generations to come.

Mission

We fulfill the Promise of the Trust to provide essential utility services for our customers and communities, maintain the lowest possible rates with sound financial management, and create the greatest long-term benefit through a unique business structure.

Values

Safety: We protect our employees and communities by committing to the highest standards of safety, reliability, and quality.

Integrity: We conduct our business with honesty, transparency, and accountability.

Inclusion: We foster a diverse culture where everyone is respected, valued, and empowered to contribute their unique perspectives and talents. We actively listen and adapt to ensure that our services are accessible, equitable, and responsive to the needs of the communities we serve.

Collaboration: We provide superior customer service through teamwork. We engage with our employees, customers, and communities for the betterment and success of all.

Leadership: We prepare and empower all employees to be leaders at work and within the communities we live, and to inspire, innovate, and continuously improve our processes, services, and ourselves.

Stewardship: We invest in solutions and infrastructure to deliver long-term value and improve the quality of life for our customers and our communities.



WATER

Lead and Copper Rule Revisions

In 2021, the United States Environmental Protection Agency (EPA) released revisions to its Lead and Copper Rule (LCRR) mandating that public water systems develop a lead service line inventory and begin notifying customers who are served or may be served by a lead service line by October 16, 2024, among other requirements.

Cross-functional teams spent three years preparing to comply with the requirements. As part of that work, Citizens received Indiana Utility Regulatory Commission (IURC) approval of and began implementing a multi-year lead service line replacement program in 2022. The ultimate goal is to completely replace all customer-owned lead service lines in our service area across Central Indiana.

Lead Service Line Replacement Program

While water leaving Citizens treatment plants does not contain lead, full replacement of a customer-owned lead service line is the most effective method of permanently reducing any potential exposure to lead from drinking water. **To date, Citizens crews have replaced more than 2,300 lead service lines**, with construction ongoing in neighborhoods and at other strategic sites across Indianapolis.

Program areas are prioritized based on several factors, including the number of known or suspected lead service lines in an area, the potential for health risks, neighborhood economic impacts, and inter-agency coordination ahead of other planned infrastructure work in the area, which helps lessen construction impacts and overall project costs. Customer-owned lead service lines in Indianapolis are most commonly

present in structures built and connected to the water main before 1950.

Citizens estimates that more than 75,000 customers may own or rent a home with a service line made of either lead or a galvanized metal requiring replacement. The program Citizens is implementing has been estimated to cost more than \$500 million, though **the utility has been awarded more than \$21 million to date in outside financing for the program**. To accelerate the pace of replacements, Citizens will continue to apply for funding from foundations, endowments, and government programs that align with the project's community health goals of limiting lead exposure.



Citizens-Lebanon Water Supply Program

Citizens Water has been in discussions with the Indiana Finance Authority (IFA) and Lebanon Utilities regarding the possibility of providing up to 25 million gallons of water per day (MGD) to support regional growth.

Citizens Water's current maximum treatment capacity is 256 MGD. With the addition of service to Lebanon Utilities, the regional water supply system capacity would be expanded to nearly 300 MGD. The additional water would come from the expansion of two of our already-existing surface water treatment plants. In addition, we would extend our water mains to connect to the city of Lebanon, upgrade several booster stations, and add water storage tanks.

Infrastructure would be funded through loans from the Indiana Drinking Water State Revolving Fund. Citizens Water is not responsible for the debt service of the non-

recourse loans, and Citizens customer rates will not be used to fund infrastructure costs associated with this program.

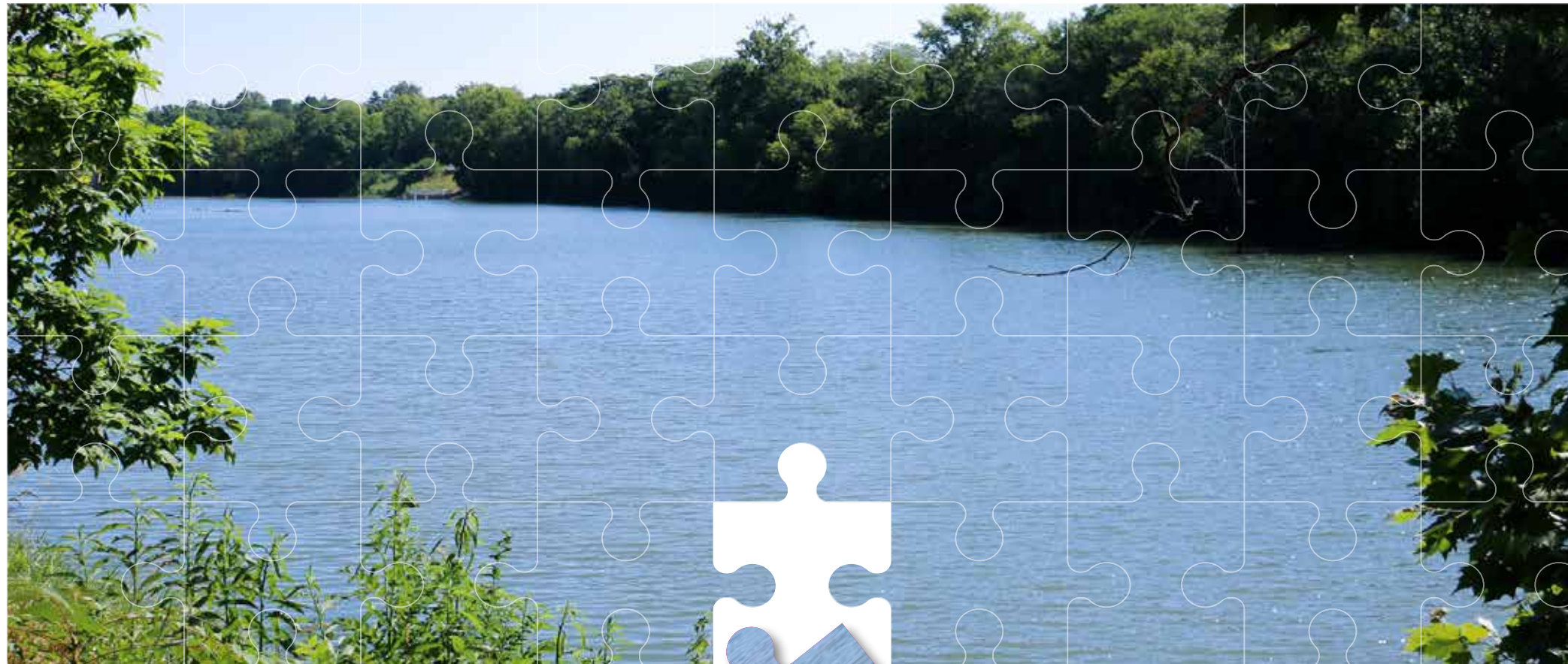
As of the end of Fiscal Year 2024, Citizens is in the Program Planning phase, which includes finalizing (1) funding from IFA to ensure our customers are shielded from the costs associated with the program, (2) the Water Supply and Interlocal Agreement with Lebanon Utilities, (3) the preliminary engineering report documentation and application, and (4) work necessary to move into the Program Execution phase.*

**Since the end of Fiscal Year 2024, Citizens has closed on IFA funding and finalized the Water Supply and Interlocal Agreement with Lebanon Utilities. Work has moved into the Program Execution phase. You can stay up to date on the program [here](#).*

Water Treatment Plant Receives National Award

In 2024, the Partnership for Safe Water presented Citizens Fall Creek Water Treatment Plant with the Presidents Award for Treatment Plant Optimization, which recognizes plants for achieving the Partnership's stringent goals for the optimization of individual filter performance. The TW Moses treatment plant received the Partnership's Presidents Award in 2023. Citizens two other surface water treatment plants, as well as our distribution system, continue to maintain Directors Awards from the Partnership. Directors Awards establish utilities as high-performing providers of safe drinking water.





WASTEWATER

DigIndy

The DigIndy Tunnel System is a 28-mile network of six 18-foot-diameter deep rock tunnels being built 250 feet beneath the city. Along with other projects in the combined sewer system and at two advanced wastewater treatment plants, the \$2 billion program is Indy's solution to reducing combined sewer overflows into area waterways, keeping the utility and the City of Indianapolis in compliance with the United States Environmental Protection Agency.

In 2024, with four of six tunnels in operation, Citizens achieved the milestone of preventing more than 5 billion gallons of sewage from entering our waterways. This is equal to the volume of more than 5,000 Olympic-size swimming pools. The final two tunnels, Pleasant Run and Fall Creek, are on track to open in 2025.

When fully complete and operational in 2025, the DigIndy Tunnel System will divert at least 95 percent of all wastewater overflows from Indianapolis' combined sewer systems away from nearby creeks and into Citizens facilities for treatment before safe release into the White River.

Wastewater Treatment Plant Recognized for Perfect Compliance

In 2024, Citizens Belmont Advanced Wastewater Treatment Plant received the Platinum Award from the National Association of Clean Water Agencies (NACWA) in recognition of 11 consecutive years of perfect compliance with its National Pollutant Discharge Elimination System (NPDES) permit.

10 Thousand Trees

Citizens celebrated the planting of the 10,000th tree in our 10 Thousand Trees initiative. Developed in 2017 as a partnership between Citizens, Keep Indianapolis Beautiful, Inc. (KIB), and the Indianapolis Department of Public Works, 10 Thousand Trees complements DigIndy by providing up to an estimated 1 million gallons of natural stormwater storage during heavy rain events. Tree plantings have been targeted within the city's combined sewer area—generally older parts of the city where historic development linked stormwater and wastewater sewers, leading to sewer overflows into rivers during those rain events.

As of the beginning of 2024, the tree-planting effort was estimated to have sequestered more than 180 tons of carbon since the program began, with an increasing rate of carbon sequestration as trees mature.



NATURAL GAS & THERMAL ENERGY

Low Natural Gas Bills

Citizens average residential natural gas bill consistently ranks among the lowest of the 19 gas utilities operating in the state, according to monthly surveys done by the Indiana Utility Regulatory Commission. While costs for many goods and services have increased in recent years, Citizens average residential natural gas bill has been stable. Measured over the past two decades, average natural gas bills for Citizens residential customers have even decreased, offsetting other household inflationary pressures.

For the winter 2023-2024 home-heating season, Citizens average natural gas bill decreased from \$528 the year before to \$425 thanks to methodical planning and purchasing. In addition to passing on the cost of natural gas to customers with no markup, Citizens employs a number of measures to keep costs down. We continue to reduce natural gas bills through efforts such as maximizing our underground natural gas storage fields, buying gas in advance of the winter at fixed prices, and entering into long-term gas supply contracts with discounts to market prices.

PHMSA Grant

In 2024, Citizens broke ground on a multi-year project to upgrade four miles of aged cast-iron natural gas pipeline at key locations on the east side of Indianapolis, made possible by a \$7.5 million federal grant from the Pipeline and Hazardous Materials Safety Administration (PHMSA). Citizens was one of 37 recipients for this round of infrastructure funding via a Natural Gas Distribution Infrastructure Safety and Modernization grant established by the Bipartisan Infrastructure Law and administered by PHMSA.

Construction began in August on a portion of natural gas main in the Avondale Meadows neighborhood, generally along the Rural Street corridor between Fall Creek and 30th Street. The next two years will see additional construction along this same corridor south into the Martindale Brightwood neighborhood, and at the site of a legacy natural gas main in the Far Eastside neighborhood installed more than 70 years ago. When the project is complete, nearly all of Citizens 4,000-mile system of natural gas mains will be composed of contemporary materials and will reduce the potential for methane pollution.

Citizens natural gas system has continuously been recognized as one of the safest, best maintained urban gas utilities in the U.S., a comparison confirmed by an ongoing leak detection study by the Environmental Defense Fund.



Steam and Chilled Water Expansion

When businesses seek Citizens collaboration to help them grow and strengthen the regional economy, it is in our beneficiaries' best interest for us to answer the call.

Our Thermal utility worked this year to extend steam and chilled water service to the new Elanco headquarters and IU School of Medicine facilities near downtown. Thermal has also signed an agreement to serve the Signia by Hilton, which is a 40-story, 800-room hotel under construction that will ultimately connect to the Indiana Convention Center.

By making it feasible for Elanco to move employees downtown; enabling the IU School of Medicine to consolidate their operations and strengthen their capability for research and education; and equipping the Signia hotel to increase capacity for visitors to the Circle City, Citizens is contributing to the economic vitality of downtown Indianapolis.



CUSTOMER ASSISTANCE

With more than 244,000 households in Central Indiana living in - or one emergency away from - poverty, our customers continue to make difficult choices when managing their household budgets. Citizens has stepped up efforts in recent years to increase awareness and maximize utilization of available resources to help our customers stay up to date on their utility bills..

Utilities Unite for Customers

In Fiscal Year 2024, we continued collaborating with AES Indiana on the Utilities Unite for Customers campaign to give customers a more complete picture of available energy-assistance resources such as the federal Low-Income Home Energy Assistance Program (LIHEAP or EAP), United Way of Central Indiana's Winter Assistance Fund, and our own utilities' customer-assistance programs.

Our collaboration is focused on a [comprehensive document](#) that is available in nine languages and outlines the sources of assistance above, along with Citizens Warm Heart Warm Home Foundation™ and AES Indiana's Power of Change Fund.

EAP, USP & LICAP

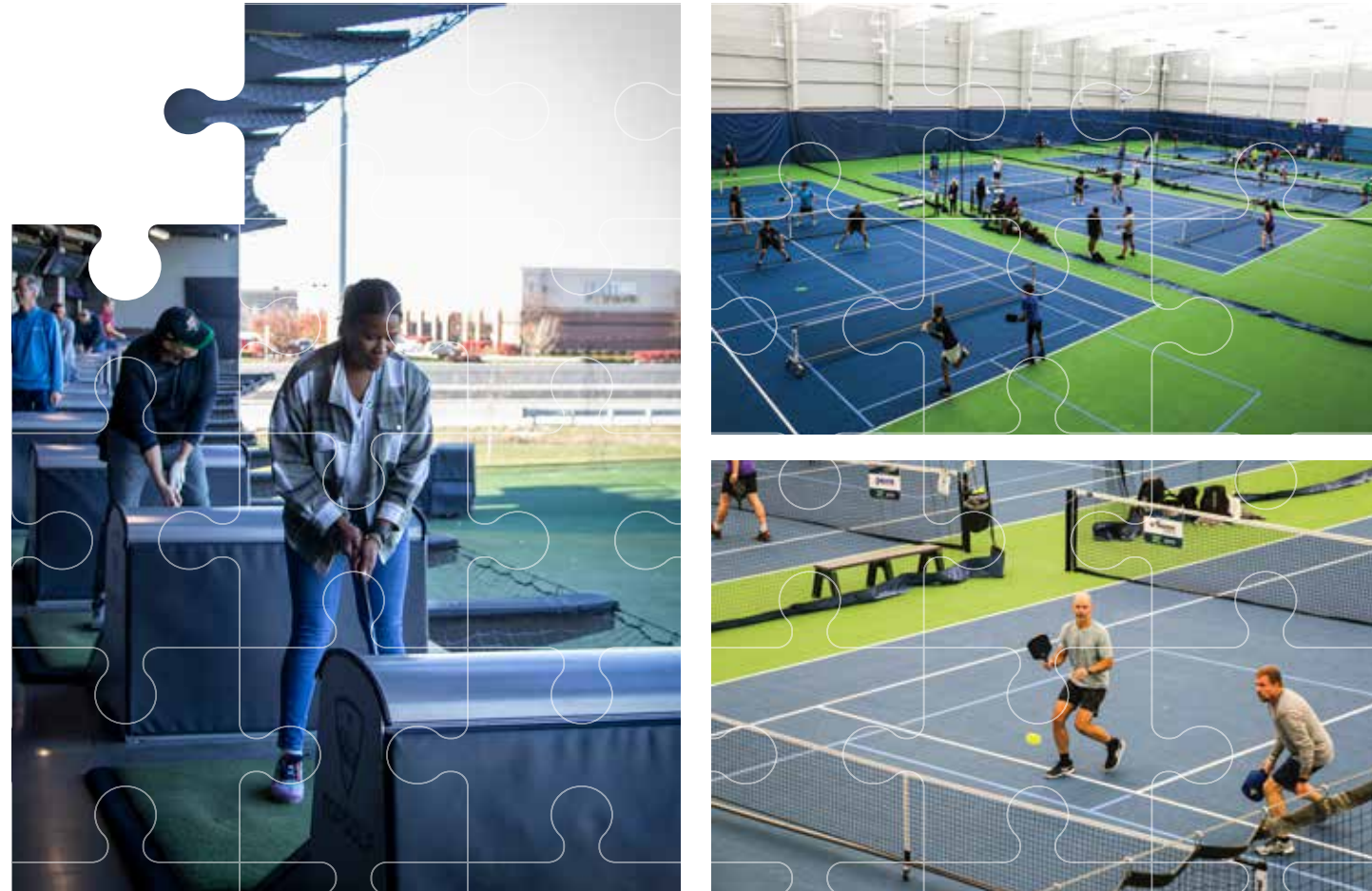
EAP is a federally funded, one-time benefit program that can assist income-eligible customers with the cost of home utilities and can help if a customer is disconnected or is about to be disconnected.

Customers approved for EAP automatically receive the following from Citizens: a 10 to 25% discount on their natural gas bill (from Citizens Universal Service Program, or USP) as well as a credit of \$6 to \$15 on their Citizens wastewater bill (from Citizens Low-Income Customer Assistance Program, or LICAP).

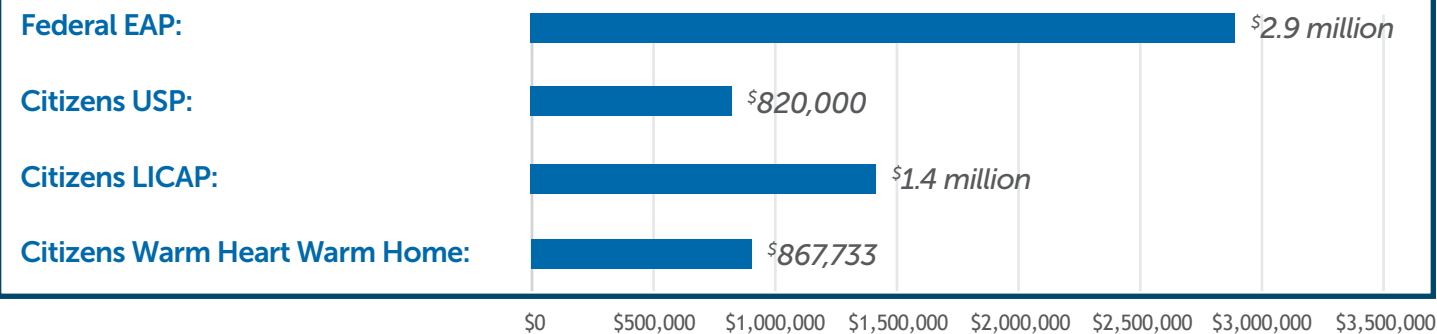
Warm Heart Warm Home Foundation™

The Warm Heart Warm Home Foundation™ is Citizens nonprofit organization that provides financial assistance to income-eligible customers having difficulty paying their utility bills. Warm Heart Warm Home grants can help customers sustain their utility services and catch up on past-due bills.

Warm Heart Warm Home is funded by Citizens, our Utility Shield partnership, and donations from customers and other stakeholders. As part of our fundraising efforts, Citizens hosts an annual golf outing at Topgolf. In Fiscal Year 2024, the event raised just over \$71,000 for the foundation, and in May 2024, we hosted a multi-day pickleball tournament that raised more than \$35,000.



Assistance Provided to Citizens Customers: Program Year 2024



WATER & ENERGY CONSERVATION

Citizens encourages our customers to be smart about their water and energy use, sharing tips through a variety of channels including bill inserts, our website, social media, television, radio, and mail. Not only are water and energy conservation good for the environment, but they also help customers manage their bills.

Hot, dry weather over the past few years has led to near-record-high peak demands on Citizens water system, with approximately half of all drinking water produced in Central Indiana used for watering lawns. Lowering peak demand helps minimize costly and wasteful water main breaks, increases system efficiency, and lowers customers' monthly bills.

The Twice a Week/WaterWise campaign provides customers with water-conservation and water-quality-protection tips to help customers save money and reduce impacts on local watersheds prior to peak summer irrigation season. In fact, you may have seen Sprinkler Dad on television doing his famous Sprinkler Dance to help people remember to water their lawns no more than twice a week.

Ways to Save Man is out there, too, reminding customers how to save on their energy bills and encouraging them to take the proper precautions during the home-heating season. From sharing home-weatherization tips to reminding people to check their smoke and carbon monoxide alarms on a regular basis, Ways to Save Man is helping customers lower their bills and stay safe.

COMMUNITY ENGAGEMENT



Because the Public Charitable Trust was founded to benefit the inhabitants of Indianapolis, Citizens has a special relationship with and obligation to the community. We continue to develop and nurture community stakeholder relationships through initiatives such as Sharing the Dream (see page 12 for more), the Neighborhood Ambassador Program, Citizens Investment Collaboration on Neighborhoods (ICON), and Community Resource Day.

Our commitment to philanthropy is equally important. Citizens embraces a culture of philanthropy that goes beyond simply providing local utility services. Our investment efforts are a commitment to the prosperity, enrichment, and resilience of Central Indiana. We prioritize granting financial support to organizations that focus on Basic Human Needs; Education; Diversity, Inclusion, and Justice; the Environment; Economic Development; and Cultural Institutions.

Neighborhood Ambassador Program

Through our Neighborhood Ambassador Program, Citizens continues to expand and strengthen our relationships with community stakeholders in areas with high proportions of low-income residents and high numbers of disconnections, and in areas where construction projects are planned.

Citizens Investment Collaboration on Neighborhoods

Now in its 29th year, Citizens Investment Collaboration on Neighborhoods (ICON) program supports neighborhood development by offering low-interest loans to eligible partners, such as community development corporations, and prioritizes small start-up projects with loan applications of up to \$300,000 where expected program outcomes can be met within 24 months.

Community Resource Day

In October 2023, Citizens hosted our inaugural Community Resource Day, which brought together more than two dozen community service providers with one common goal: to link our Central Indiana neighbors to the resources they need to thrive. In addition to connecting with service providers, attendees enjoyed free food, a visit from Colts cheerleaders, and an opportunity to interact with horses from the IMPD Mounted Patrol. We look forward to growing this event in the future.



ICON house before



ICON house after



DIVERSITY, EQUITY & INCLUSION

At Citizens, we pride ourselves in sustaining a diverse and inclusive culture. We are committed to providing a safe environment where everyone is respected, valued, and empowered to contribute their unique perspectives and talents, and we believe that it is our responsibility to enhance the quality of life for all who live and work in the communities we serve.

Sharing the Dream

In mid-January 2024, Citizens Energy Group and a coalition of partners renovated the community center and the pool house at Stanley Strader Park (formerly Bethel Park) as part of Citizens 16th annual Sharing the Dream project. Sharing the Dream is a multi-day community service project honoring the life of Dr. Martin Luther King, Jr. that gives Citizens employees a chance to serve Central Indiana neighborhoods.

Nearly 250 employee volunteers collectively donated hundreds of hours of their time during the two-day event. Citizens and more than 30 partners this year also contributed \$300,000, either monetarily or with in-kind donations, to upgrade the facilities' buildings and equipment.

Citizens has donated more than \$3.8 million during Sharing the Dream projects over the past 16 years for improvements to various Indy Parks facilities.





Supplier Diversity Program

Citizens is committed to increasing opportunities for local small businesses, including minority-, women-, and veteran-owned business enterprises through several initiatives.

We have implemented an XBE Discovery series that provides a platform for diverse business enterprises to present their companies' capabilities to our internal and external partners. These sessions assist our internal business units and external prime partners in discovering new business opportunities for our diverse vendors.

Our Building the Future Together program was launched in Fiscal Year 2022 and provides a roadmap to help diverse businesses achieve a more diverse supply base and sustaining success for all parties for the long-term. Program participants have experienced growth in revenue and employees and have added new service offerings to their businesses.

Through our Supplier Diversity Advocacy Team, we continue to provide constructive input, shared advice, and best practices and procedures to ensure our focus in diverse suppliers is intentional and sustainable. This team of champions helps to keep supplier diversity top of mind across our organization.



Choice Employer Award

In May 2024, Citizens was proud to receive the Choice Employer Award at the Mayor's Celebration of Diversity Awards on May 9. The Choice Employer Award recognizes an employer who "offers all full-time employees a 'good wage' of \$18 an hour with benefits and additionally embodies the traits of a 'Choice Employer' by creating a work environment that focuses on supporting Career Pathways, Culture and Diversity, and Employee Resources." Citizens offers up to \$6,000 in tuition reimbursement, a Health and Wellness Program, and Diversity and Inclusion Training for all employees.



Yvonne Perkins Legacy Fund

More than 190 golfers on 48 teams gathered on September 12, 2024 at the Eagle Creek Golf Club for a golf outing to honor the late Yvonne Perkins, raising \$63,000 in her memory.

Yvonne Perkins, who passed away in 2016, was a servant leader; a distinguished alumna of Indianapolis Public Schools and Butler University; a longtime Citizens Energy Group executive; and a tireless advocate for improving the quality of life in Indianapolis.

As a tribute to her memory, the Yvonne Perkins Legacy Fund continues impactful workforce development initiatives, enhancing access to meaningful educational and career opportunities while specifically reducing disparities for members of the Black community and other diverse groups including veterans and members of reentry programs.

The Yvonne Perkins Legacy Fund board has awarded two grants and eight scholarships in the past year, for a total of \$69,000 committed to organizations and students who are continuing education and building a stronger community.



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COMPANY VISION

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COMPANY MISSION

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