

Chilled Water Meeting Offers Training for Customers

Chilled Water customer training took place on Friday, April 26th. Areas of discussion included science, language, engineering, operation and teamwork. Several customers along with Citizens employees from multiple departments met to discuss how the downtown district cooling system functions and how to better manage supply and demand of the cooling system. A thumb drive of the presentation is being sent to each customer for review and sharing among the appropriate personnel. There will be future opportunities to attend similar training so watch for announcements via email and in the Thermal Newsletter.

The Science of Cool

The Language of Cool

The Engineering of Cool

The Operation of Cool

Load, Capacity & Redundancy

Loads are satisfied most efficiently when Delta Ts are the greatest.

$Q =$

M

\times

C

\times

dT

Heat
Transfer
Rate

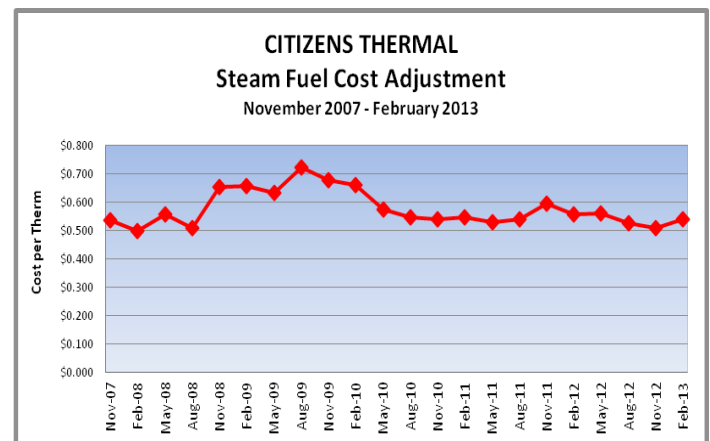
Mass
Flow
Rate

Specific
Heat

Delta T

Steam Bills Reflect Fuel Cost Adjustment

The Fuel Cost Adjustment (FCA) rate on customers' steam bill is adjusted every three months to reflect the change in Citizens' actual fuel costs to produce steam. The FCA is a pass through cost that contains only fuel costs and no other operating and maintenance expenses. Citizens submits these costs to the Indiana Utility Regulatory Commission (IURC) for their review four times each year. The IURC then issues an order establishing the rate for the upcoming quarter. As the chart below indicates, the FCA hit a peak in August 2009 and has declined steadily to the current rate of \$0.53758 per therm, which is approximately the same as it was in November 2007.



Perry K Natural Gas Conversion Update

The natural gas conversion project at the Perry K Steam Plant is progressing well. In November 2012 the contract to design and build the gas burners for the four boilers being converted from coal to natural gas was awarded to Todd/COEN Burners. The design and fabrication of all the burners is underway with an expected delivery date of August 2013. The final air permit was issued by Indiana Department of Environmental Management (IDEM) on December 31, 2012. The final schedule for the actual construction to the boilers has been finalized and is as follows:

- August 2013:** Natural Gas piping modifications plant/yard, new gas burners on-site.
- October 201 - December 2013:** No.12 Boiler out of service for conversion.
- Mid December 2013 - Mid March 2014:** No.17 Boiler out of service for conversion.
- Mid January 2014 to April 1 201:** No.18 Boiler out of service for conversion.
- Mid March 2014 to Mid June 2014:** No.16 Boiler out of service for conversion.
- Last week of March to April 1, 2014:** Steam plant stops burning coal.

Development of the schedule included working closely with the leadership at Covanta Energy to sync up their fall outage schedules in order to minimize the risk of service interruptions. The schedule was also developed to minimize demobilizing and mobilizing of the mechanical and electrical contractors to help reduce costs.

Current activities include the preparation of bid packages for the mechanical and electrical work.



Citizens Employees Give Back to the Community



In January, as part of Citizens Energy Group's fifth annual "Sharing the Dream" event, more than 200 employees volunteered their time to restore Perry Park Ice Arena. The 40-year-old arena on the city's south side is a popular place in the community, offering recreational activities for nearly 30,000 visitors a year.

Employees partnered with Indy Parks, the Indianapolis Parks Foundation, Marksmen Construction Services and Mitsch Design to give the facility a fresh look. Among other things, volunteers painted the walls in the lobby and locker rooms, assembled new skate benches, washed glass surrounding the ice rink, replaced emergency lights and installed new speakers for the sound and PA system.

"Over the last five years, Sharing the Dream has given Citizens employees a chance to do what they do best, give back to the community," said Carey Lykins, President and CEO of Citizens Energy Group. "We're honored to again this year spend two days improving a space the community will use for years to come."

In April, Citizens, the Indianapolis

Department of Public Works (DPW) and Friends of the White River teamed up with hundreds of volunteers for the 25th annual White River Cleanup.

Areas near Morris Street, Raymond Street and White River Parkway were targeted as part of the cleanup. Work continued until noon and items such as

tires, clothing, paint, household waste and medicine were removed from the river's banks. Over the past 25 years, nearly 1.5 million pounds of trash and debris have been collected during the cleanup.

"It's amazing to see the impact this cleanup has had on the White River," said Kevin Hardie, Executive Director of Friends of the White River and 25 year volunteer. "When the event began, it took volunteers nearly eight hours to remove 80 tons of trash. Now, with a quarter of the volunteers needed, it only takes four hours to collect 20 tons of trash."

The White River Cleanup is made possible thanks to Citizens' generous sponsors: United Water, DPW, SustainIndy, Friends of the White River, Covanta, Williams Creek Consulting, White River State Park, Critter.com and the All American Picnic Company.



Seasonal Reminder

Tips for Starting Up Chilled Water Service

- Drain the residual water from your building's cooling system.
- Fill the system with clean city water and add a chemical-cleaning agent. Please contact Citizens before cleaning to make sure the chemicals are compatible with our water treatment chemicals.
- Circulate the cleaning solution through your building's cooling system. This will help flush contaminants from the system, and the cleaning agent will remove any bacteria, oils and greases, and reduce the risk of corrosion inside the piping.
- Check and clean air handler(s) and pump strainers before draining.
- Drain the cleaning solution from the system and refill with clean city water.

- Flush all coils, drains, and system blow downs until the water flowing from the drain piping is clear.
- Call Citizens Thermal at 317-236-6700 before opening the isolation valves to re-connect the building to the Citizens Thermal district cooling system.

Following these simple steps will help ensure your cooling system operates efficiently and effectively for many years. The pre-season cleaning and preparation steps will help reduce problems from dirty cooling coils, bacterial contamination, plugged cooling lines, and poor space conditioning. Citizens will provide onsite assistance during the start-up process at no cost to the customer. If you have any questions, or would like to take advantage of this service, please call us at 317-236-6700.

Other News at Citizens

Citizens Acquires Southern Madison Utilities

Citizens recently acquired Southern Madison Utilities, a small water utility serving parts of northeast Hamilton County. A smooth transition is being provided for customers under the Citizens South Madison brand. The utility also will provide additional water supply for Citizens Water to serve the growing areas near Fishers.

Westfield Acquisition Under Review

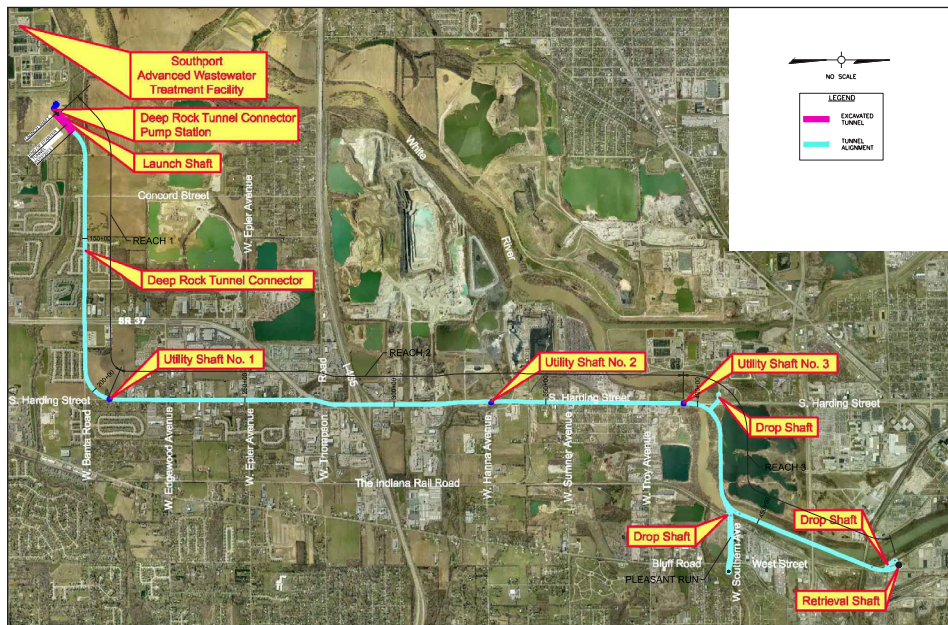
The Indiana Utility Regulatory Commission (IURC) is considering Citizens' proposed acquisition of Westfield Utilities, the water and wastewater utilities serving the growing town of Westfield.

Earlier this year, the Westfield City Council voted 7-1 to sell the utility to Citizens. Improved water supply security and more efficient operations have been promised by Citizens. The water and wastewater utilities would be combined with the gas utility in Westfield, which is already owned by Citizens. A decision from the IURC is expected later this year.

Deep Rock Tunnel Connector Project Makes Progress

In March, tunnel boring began on the Deep Rock Tunnel Connector (DRTC). The DRTC is the first leg of a 25-mile long underground tunnel system that will capture and store raw sewage, keeping it from overflowing into Indianapolis waterways.

Tunnel construction is progressing with great success. Eleven percent, or more than 4,600 feet, of the tunnel has been bored and eight drop shafts are currently under construction. If construction continues at this pace, the DRTC will likely be complete by 2016, one year ahead of schedule. For more information about the Deep Rock Tunnel Connector, visit IndyTunnel.com.



Citizens Employee Received National Recognition for Volunteerism



John Anderson

Congratulations to Citizens' Steam Distribution Operator, John Anderson, for being honored as the 2012 Citizens' recipient of the Jefferson Awards Gold Medal. Named for Thomas Jefferson, the program was intended to be a "Nobel Prize" for public service, and aims to honor people who are typically looked upon as being "unsung heroes" in serving others in the community.

Anderson was chosen for the role he played in developing and growing the annual Marty Williams Ride, Bike and Car Show. On October 11, 2002, Marty Williams, a former Citizens Thermal employee, passed away from burns he received in a tragic accident while at work. Marty left behind two young children, Ashley and Tyler, and John and other co-workers coordinated a motorcycle ride to raise money for the educational fund.

The Marty's Memorial Committee now consists of 8-9 volunteers who plan the event each year, and John continues to participate and help lead the effort to assist others. Between 2002 and 2006, Marty's Memorial Committee raised \$15,000 for the kids' education fund; and raised \$25,000 for the Wishard Burn Unit between 2007 and 2012.

Between 2002 and 2007, John volunteered nearly 1,500 hours each year, working behind the scenes to coordinate the motorcycle ride activities, and to continuously improve it annually. Each year, since 2008, John has volunteered nearly 500 hours each year towards Marty's Memorial Ride.

John started his career with Citizens in 1987 as a laborer at the company's now closed Indianapolis Coke Manufacturing Plant. He served in a number of positions at that facility until he moved to the company's Thermal operation in 2000 and assumed his current position of Steam Distribution Operator.

In June, Marty will join other Jefferson Award recipients for a two-day celebration and recognition in Washington, D.C.



Employee Spotlight

Del Morris is Superintendent of Facility Operations for Citizens Thermal. This is Del's second "tour of duty" with Citizens. In 2000, Del joined Citizens in Steam Operations and later was named Coal and Ash Supervisor. In 2006, Del left Citizens to work at the Indianapolis International Airport for BHMM Energy Services. He returned to Citizens in January of this year.

Del's favorite part of his job is working with people to create more efficiencies. Having worked in a variety of different utility environments, Del says "I've been able see that anyone can add their perspective and experience to create a better mouse trap." When Del's not working, he enjoys playing golf.



Del Morris

Steam and Chilled Water Service Telephone Numbers

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

Bob Purdue,
Director, Thermal Operations
317-693-8701 (office)
317-695-0512 (cell)

Bob Asher,
Manager Customer Services
& Distribution
317-693-8704 (office)
317-225-9602 (cell)

David Stewart,
Marketing Sales Assistant
317-261-8794

Bob Taber, Foreman,
Customer Service & Metering
317-693-8883 (office)
317-27-1608 (cell)

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

Bob Anderson,
Manager Operations & Maintenance
317-693-8753 (office)
812-946-6373 (cell)

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

Joe Ray,
Operations Supervisor
Chilled Water Operations
317-236-6703 (office)
317-431-2541 (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 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)

Chris Braun,
Vice President, Energy Operations
317-927-4604 (office)
317-508-1188 (cell)

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