citizensthermalupdate

A Member of Citizens Energy Group

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Citizens Reaches All-Time High in Customer Satisfaction

Citizens Thermal is pleased to report an alltime high in overall customer satisfaction of 100 percent in its recent annual customer survey.

"We are certainly pleased our customers expressed such strong satisfaction with our service. Our employees work very hard to ensure we reliably deliver quality service while responding quickly to questions and concerns," said Bill Tracy, Senior Vice President, Operations for Citizens.

The study also found that 61 percent of customers were classified as "truly loyal." This is down slightly from 2008, but is significantly lower than 2007. The study indicates the following factors drive customer loyalty.

- 1. Value of Products & Services (in relation to price)
- 2. Price
- 3. Cares About Customers
- 4. Shows Concern for the Environment
- 5. Overall Communications

Additional findings from the study include:

- Value of products and services in relation to price scored the largest improvement, up 15 points in the past year.
- Reliability of steam/chilled water supply improved 10 points in the past year, despite a significant outage on the IUPUI campus due to third-party damage.
- Both measures designed to track the effectiveness of the billing process declined over the past year - overall billing process was down 8 points and overall service support was down 5 points.
- Overall communications was down 11 points, although the newsletter ratings improved.

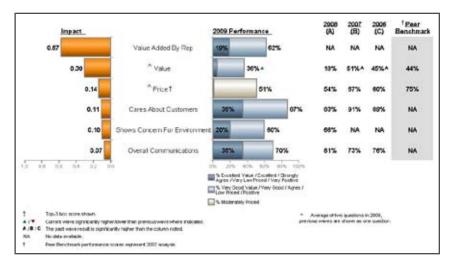
The 2009 scores are in part the result of specific actions Citizens took to address 2008 survey findings, including:

Reputation/ Cares About Giving/Making Contributions:

- Chilled Water Lunch at Indianapolis Zoo on April 15th, topic: "Investing in our Community Chilled Water Business - Now and into the future."
- Each of the three Citizens Thermal Newsletters spoke of Citizens
 Thermal and Citizens Energy Group's community involvement:
 Summer 2008 Issue, topic: ReadUP program; Winter 2008 Issue,
 topic: Tree Planting at Doris Cowherd Park; Spring 2009 Issue,
 topic: Citizens Sharing The Dream Event Revitalizes Brookside Park.

Price / Value of Products & Services in relation to price:

- Meet with Thermal high revenue customers (ongoing 1:1 Executive Contact Program).
- Thermal Price Comparison project is underway by Thermal and



Regulatory Affair representatives. At this time, nine (9) companies throughout the nation have provided feedback.

Response Time to Questions/Concerns:

- A cross-functional team is currently implementing a Companywide complaint management. Objective: Address the need for a common database to track all customer complaints & provide feedback. Currently each area is doing something different; such as filling out hard copies.
- Added Citizens Thermal representative questions to 2009 survey; pertain to impact on relationship with Thermal and contact frequency.

Billing:

- Cross-functional team of Thermal, IS, & Marketing personnel developed, and led by Mark Vogler. Objective: Issue RFP for new Thermal Billing System.
- Added follow-up (open-ended) question to 2009 survey: "What is
 it about the overall billing process that caused you to give a rating
 of "fair" or "poor" (rating of 1-2, on scale of 1-5)?" Objective:
 capture the voice of the customer to identify their perceptions of
 billing "problems/issues."

Reliability of Steam/Chilled Water Supply:

- Updated Load Shed Plan for IUPUI and Clarian
- CEG Executives proactively communicating with IUPUI and Clarian.
- Steam Customer Luncheon at Lucas Oil Stadium on October 15, 2008, topic: Water Hammer by Mark Vogler.

Citizens appreciates the time customers took to complete the survey. Should you have questions about the survey, please contact Bill Petty at 927-4742.

Citizens Thermal to Serve New JW Marriott Hotel

Guest at the gleaming new JW Marriott Place under construction in downtown Indianapolis will be kept comfortable by efficient steam and chilled water service from Citizens Thermal.

Marriott Place features five interconnected hotels, with 2,248 rooms. The new JW Marriott Indianapolis anchors the complex with 1,005 rooms. The complex also includes Indianapolis Courtyard by Marriott (297 rooms), Indianapolis Fairfield Inn & Suites by Marriott (168 rooms), Indianapolis Springhill Suites by Marriott (156 rooms), and the existing Marriott Downtown (622 rooms) The JW Marriott Indianapolis features 104,000 square feet of meeting space including one of the world's largest Marriott Hotel ballrooms at 40,500 square feet.

The Courtyard by Marriott, Springhill Suites and Fairfield Inn will open in early 2010 while the JW Marriott will open in February 2011.

The JW Marriott Indianapolis construction has been moving quickly with one story being added every 10 days. Crews recently

passed the halfway point on construction of the 34-story hotel. The steel tower, covered with 7,300 panels of cobalt blue glass, is expected to be erected in about 6 months. Crews will then focus on inside construction.

All five Marriott hotels will be connected by skywalks to the expanded Indianapolis convention Center under construction and other venues like Lucas Oil Stadium. In fact, when the Marriott Place is completed, Indianapolis will surpass Minneapolis as having the most feet of skywalks of any city in the U.S.

Marriott Place will support a bigger convention center. That \$275 million expansion is more than 40 percent complete and on schedule. The convention center will add about 420,000 square feet of exhibit, meeting and registration space. That will bring the size to about 1.1 million square feet, including convention spillover space in the \$720 million Lucas Oil Stadium, which opened last year.



Citizens Supporting Federal Climate Change Legislation

Citizens Energy Group is participating in a coalition of Indiana Energy Association (IEA) member companies supporting federal legislation that would create a capand-trade system designed to gradually lower carbon dioxide emissions suspected of contributing to global warming.

Citizens Energy Group and most Indiana energy companies favor climate change legislation that achieves meaningful greenhouse gas reductions at the lowest possible cost to energy consumers. Without the proper consideration of costs to energy consumers, climate change legislation could have devastating economic impacts on Indianapolis and the entire state of Indiana.

One of the most debated parts of climate change legislation is the creation of a so-called cap and trade system designed to reduce greenhouse gas emissions. One cap and trade proposal under consideration would auction carbon emission allowances. This would result in utility customers not only paying for emission reductions necessary to achieve environmental targets, but also for every unit of emissions released. An auction system would add significant costs for energy users while generating a windfall of funds for the federal government, but it would not provide additional environmental benefits. The additional cost of auctioning allowances would be especially burdensome for Indiana and other Midwest states that rely heavily on coal as a primary energy source.

Fortunately, a compromise approach to cap and trade was recently approved by the U.S. House of Representatives. The Waxman-Markey bill favors allocating rather than auctioning emission allowances to covered entities. This approach will provide the flexibility necessary to reduce carbon emissions while protecting energy consumers and the U.S. economy from unmanageable utility rate increases. A similar direct allocation system has already



proven successful in lowering sulfur dioxide emissions while protecting consumers and the U.S. economy.

In addition to supporting the responsible Waxman-Markey approach to climate change legislation, Citizens Energy Group believes it is critical that the federal government allow expanded development of our nation's plentiful natural gas resources. Because of its lower carbon footprint, clean-burning, domestically abundant natural gas will play a key role in helping our nation reduce carbon emissions at a reasonable cost. However, we must ensure that energy companies have more freedom to develop natural gas resources both onshore and offshore. If natural gas resource development is not expanded. it is likely that natural gas prices will rise significantly as many electric power

generators begin using more natural gas to meet new limits on carbon emissions.

Climate change legislation will have a significant impact on Citizens Thermal and its customers since it does utilize coal to generate most of its steam. The exact impact on Thermal will be determined by what form the final legislation takes. The Waxman-Markey approach seems to be one that will be manageable for coalburning utilities.

In the months ahead, Congress may approve some form of climate change legislation. Citizens encourages customers to communicate with the Indiana Congressional Delegation to urge them to consider both the environmental benefits of climate change legislation and the potential cost to energy consumers.

Rate 1 Steam Customers Get New Billing Date

The reading date for Rate 1 steam customers is being changed. Beginning in August, all Rate 1 steam meters will be read on the last business day of each month. In the past, some steam meters were read near the 15th of the month.

As a result, some September steam bills will be for more than the normal 30 days. Bills will then be mailed on or about the 10th of each month and will continue to be due 17 days after the bill is mailed, which is in accordance with the Terms and Conditions approved by the Indiana Regulatory Commission. Citizens is making this change to get all of our steam customers on the same billing date, thus improving the efficiency of our billing process.

We appreciate your cooperation during this transition period. Should you have any questions, please call the Thermal steam service office at 261-8794.



Citizens Helping Keep Indianapolis Beautiful

Citizens Thermal employees volunteered again this year for the Concord Business Association's Beautification Day. Employees planted trees and flowers in planters and picked up trash along the south Meridian Street corridor from McCarty Street to Raymond Street. Citizens also provided a portion of the funding to purchase the trees and plants.





Employee Spotlight - Rob McCloud

What is your job title? Utility Maintenance Mechanic

What is your favorite part of the job? Operating the equipment

What did you do before coming to Thermal? Worked for Citizens Mechanical Services

What are your hobbies outside of work?

Currently working on a B.S. degree at Indiana Tech. Member of CORE Fitness club in Mooresville. Currently serve as an officer of the Monrovia Masonic Lodge. I spend my free weekends camping with my family. My family and I have recently started to raise chickens.



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

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)

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)

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