

**STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION**

**PETITION OF THE BOARD OF DIRECTORS)
FOR UTILITIES OF THE DEPARTMENT OF)
PUBLIC UTILITIES OF THE CITY OF)
INDIANAPOLIS, AS SUCCESSOR TRUSTEE)
OF A PUBLIC CHARITABLE TRUST, D/B/A)
CITIZENS GAS & COKE UTILITY FOR)
AUTHORITY TO INCREASE ITS RATES AND)
CHARGES FOR GAS UTILITY SERVICE AND)
FOR APPROVAL OF A NEW SCHEDULE OF)
RATES AND CHARGES APPLICABLE)
THERE TO, APPROVAL UNDER IC 8-1-2.5 OF AN)
ALTERNATIVE REGULATORY PLAN)
IMPLEMENTING AN UNCOLLECTIBLE EXPENSE)
ADJUSTMENT MECHANISM, A DEMAND SIDE)
MANAGEMENT AND RATE DECOUPLING)
MECHANISM AND APPROVAL OF OTHER)
CHANGES TO ITS GENERAL TERMS AND)
CONDITIONS FOR GAS SERVICE)**

FILED
October 31, 2011
**INDIANA UTILITY
REGULATORY COMMISSION**

CAUSE NO. 42767

**SUBMISSION OF QUARTERLY PERFORMANCE UPDATE
THROUGH AUGUST 31, 2011**

Pursuant to the Commission's May 24, 2011 Docket Entry in this Cause, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, as successor trustee of a public charitable trust, d/b/a Citizens Gas, hereby submits the Quarterly Performance Update Through August 31, 2011.

Respectfully submitted,

/s/ Korlon L. Kilpatrick, II
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing "Submission of Quarterly Performance Update Through August 31, 2011" was served upon the Office of the Utility Consumer Counselor via electronic mail on October 31, 2011 to the following:

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A member of Citizens Energy Group

Citizens Gas

Quarterly Performance Update - Program Results through August 31, 2011

| Program Year 3 September 1, 2010 - August 31, 2011 | End Notes (page 2) | Gross Therm Savings | | | Net Therm Savings | | | Program Budget | | |
|---|-----------------------|------------------------|------------------|------------------|------------------------|------------------|------------------|-------------------------|--------------------|--------------------|
| PROGRAMS | | Actual Thru 8/31/11 | PY3 Goal | YTD % to Goal | Actual Thru 8/31/11 | PY3 Goal | YTD % to Goal | Actual Thru 7/31/11* | PY3 Budget | YTD % to Budget |
| Residential Prescriptive | 1 | 271,623 | 316,252 | 85.9% | 152,357 | 163,637 | 93.1% | \$620,818 | \$812,070 | 76.4% |
| Residential New Construction | 2 | 8,099 | 10,581 | 76.5% | 6,345 | 8,495 | 74.7% | \$35,409 | \$61,093 | 58.0% |
| Residential Low Income Wx | 3 | 29,500 | 35,990 | 82.0% | 29,500 | 35,990 | 82.0% | \$275,152 | \$304,455 | 90.4% |
| Residential Low Income/Working Poor Wx | 4 | 6,785 | 6,785 | 100.0% | 6,785 | 6,785 | 100.0% | \$107,262 | \$165,000 | 65.0% |
| Residential Online Assessment & Kits | 5 | 255,528 | 354,510 | 72.1% | 204,422 | 283,608 | 72.1% | \$66,554 | \$131,951 | 50.4% |
| Better Buildings Program (EcoHouse & Sweeps) | 6 | 0 | 61,550 | 0.0% | 0 | 61,550 | 0.0% | \$3,051 | \$220,000 | 1.4% |
| Multi-Family Direct Install | 7 | 608,550 | 630,740 | 96.5% | 608,550 | 630,740 | 96.5% | \$72,072 | \$307,685 | 23.4% |
| Multi-Family Equipment Pilot | 8 | 0 | 47,300 | 0.0% | 0 | 47,300 | 0.0% | \$0 | \$117,000 | 0.0% |
| General Service Prescriptive | 9 | 694,972 | 793,658 | 87.6% | 555,718 | 627,383 | 88.6% | \$325,127 | \$410,058 | 79.3% |
| General Service Custom | 10 | 244,749 | 416,296 | 58.8% | 183,562 | 312,222 | 58.8% | \$180,252 | \$511,962 | 35.2% |
| Elementary Education (National Energy Foundation) | | | | | | | | | | |
| Think! Energy Indiana kit program | 11 | 97,906 | 175,070 | 55.9% | 97,906 | 175,070 | 55.9% | \$96,250 | \$96,250 | 100.0% |
| Energy Action in Schools program | 12 | 189,366 | 189,366 | 100.0% | 189,366 | 189,366 | 100.0% | \$19,750 | \$19,750 | 100.0% |
| Programs Subtotal | | 2,407,078 | 3,038,098 | 79.2% | 2,034,511 | 2,542,146 | 80.0% | \$1,801,697 | \$3,157,274 | 57.1% |
| SUPPORT SERVICES | | | | | | | | | | |
| Support Services | 13 | N/A | N/A | N/A | N/A | N/A | N/A | \$491,428 | \$804,395 | 61.1% |
| Citizens Gas Portfolio Totals - Program Year 3 | | 2,407,078 | 3,038,098 | 79.2% | 2,034,511 | 2,542,146 | 80.0% | \$2,293,125 | \$3,961,669 | 57.9% |

*Financial data reported on a one month lag

| End Note | Description |
|----------|--|
| 1 | Prescriptive program with incentives for residential customers installing energy efficient furnaces, boilers, water heaters and thermostats. Overall budget increased by \$100K from original operating plan in July 2011 utilizing available PY2 carryover funding. Program finished below forecast due to a decline in participation after the heating season. |
| 2 | Program targeting residential homebuilders whereby incentives are offered for energy efficient home construction. Program is implemented jointly with Indianapolis Power & Light. We continue to see a depressed housing market in Marion County and the program finished below forecast. |
| 3 | Program provides weatherization services to residential low income customers in Marion County. This is a joint program with Indianapolis Power & Light and done in partnership with IHCDA utilizing ARRA funds. Funding for this program was increased by \$94k in July 2011 utilizing PY2 carryover funds. This program exceeded the planning goal for the number of homes weatherized. |
| 4 | Program provides weatherization services to residential low income and working poor customers in Marion County. This program was implemented by Indiana Community Action Association (INCAA). |
| 5 | Customer utilizes on-line tools to learn how to conserve energy. In addition to the education component, the customer receives an energy savings kit which includes energy efficient fixtures and CFLs. This is a joint program with Indianapolis Power & Light. Funding for this program was increased by \$49k in July 2011 utilizing PY2 carryover funds and did not have enough time to meet the revised goal before year end. |
| 6 | This program includes a partnership with the City of Indianapolis and the Indianapolis Neighborhood Housing Partnership (INHP). The city was selected to receive a Department of Energy (DOE) grant of which a portion will be used for loans to complete energy efficiency improvements in the homes of Marion County residents with low to moderate income. Through an energy audit, projected energy savings from improvements is determined. The Citizens program incentives help offset the cost of insulation and air sealing measures up to 50% of the cost with a maximum incentive of \$1,600. A slow start up of the loan program has delayed participation. The remainder of the DOE grant will be used in the Near Eastside Neighborhood Sweeps program which includes up to \$1,500 in energy efficiency improvements at no cost to the participating resident. In July 2011, funding in the amount of \$20k was added to the Better Buildings budget to provide direct install measures (low flow fixtures and CFLs) for the sweeps program and that portion is co-funded by Indianapolis Power & Light. |
| 7 | Energy efficient showerheads, bathroom and kitchen aerators as well as CFLs installed in rental units to reduce hot water consumption and electric usage. Program is jointly delivered with Indianapolis Power & Light. Funding for this program was increased by \$109k in July 2011 utilizing PY2 carry over funds allowing it to exceed the original forecast. |
| 8 | Pilot program that targets multi-family developers and property managers offering prescriptive incentives for the installation of energy efficient furnaces, water heaters, thermostats and low flow fixtures. Program was added in July 2011 to utilize PY2 carry over funds and did not have time to gain traction before the end of the program year. |
| 9 | Prescriptive program with incentives for general service customers installing energy efficient furnaces, boilers, boiler tune-ups and controls, water heaters and thermostats. Funding for this program was increased by \$150k in July 2011 due to participation exceeding original plan utilizing carry over funds from PY2. |
| 10 | Offers incentives up to \$25,000 per project for the installation of efficient technologies or implementation of process improvements that do not fit the parameters of the prescriptive rebate program. Program was on target to meet goal, but several reserved projects were delayed in completion. |
| 11 | Educational outreach program aimed at helping 6th grade students learn the importance of energy efficiency and how it helps to protect our natural resources and the environment. The program includes classroom education and a take home energy efficiency kit. This program is implemented in partnership with Indianapolis Power and Light. Program finished below goal for therm savings due to a large number of homes with electric water heaters participating. |
| 12 | This program utilizes student patrols to identify opportunities for energy savings in IPS school facilities. The program provides energy management training for custodial staff and teachers on how to use energy more efficiently. This program is implemented in partnership with Indianapolis Power and Light. Additional funding was provided by the Office of Energy Development. |
| 13 | Support services include expenses associated with services that support multiple programs such as consumer outreach and education, evaluation and program administration. |