STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE COMMISSION'S INVESTIGATION INTO THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES FOR THE CITY OF INDIANAPOLIS D/B/A CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC., INCLUDING THE BILLING PRACTICES AND COMPLIANCE WITH APPROVED RULES AND REGULATIONS

CAUSE NO. 44462

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

PUBLIC'S EXHIBIT NO. 1

TESTIMONY OF HEATHER R. POOLE

AUGUST 12, 2014

Respectfully submitted,

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COMMISSION’S INVESTIGATION OF CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.  
CAUSE NO. 44462  
TESTIMONY OF OUCC WITNESS HEATHER R. POOLE

I. INTRODUCTION

1  Q: Please state your name and business address.
2  A: My name is Heather R. Poole, and my business address is 115 West Washington
3   Street, Suite 1500 South, Indianapolis, IN 46204.
4  Q: By whom are you employed and in what capacity?
5  A: I am employed by the Indiana Office of Utility Consumer Counselor (OUCC) as a
6    Senior Utility Analyst. I have worked as a member of the OUCC’s Natural Gas
7    Division since December of 2010.
8  Q: Have you previously testified before the Commission?
9  A: Yes, I have testified in Gas Cost Adjustments (GCA), rate cases, Transmission,
10   Distribution, and Storage System Improvement Charge (TDSIC) Trackers, tariff
11   and special contract cases involving gas and water utilities. I also provided
12   extensive testimony in the Commission’s investigation into the existing GCA
13   procedures and schedules. My educational background and experience can be
14   found on HRP Attachment 1.
15  Q: What is the purpose of your testimony?
16  A: The purpose of my testimony is to address certain concerns the OUCC has in
17   relation to the Commission’s Investigation into Citizens Energy Group (CEG) and
18   the CWA Authority, Inc. (collectively Citizens). I discuss the application of Low
Income Home Energy Assistance Program (LIHEAP) and Universal Service Program (USP) funds. I also discuss the Utility Shield program, and background information relating to CEG.

Q: Please describe the review and analysis you conducted to prepare your testimony.
A: I reviewed the Commission’s Preliminary Issues List, as well as the Final Issues List issued by the Commission on June 9, 2014. I reviewed all of Citizens’ testimony, exhibits and supporting documentation submitted in this Cause. I also reviewed discovery responses and participated in meetings with other OUCC staff members to identify and address the issues in this Cause.

II. APPLICATION OF LIHEAP AND USP FUNDS

Q: Did CEG allocate LIHEAP funding to water, sewer and non-utility charges, such as Utility Shield?
A: Yes. Citizens witness Michael Strohl testifies “Citizens applied LIHEAP funds of $966,087 to sewer charges, $1,021,758 to water charges, and $30,544 to non-utility charges.” Testimony of Michael D. Strohl, p. 24, lines 5-7. This covered a time frame of fiscal year 2013 through fiscal year 2014. Mr. Strohl also says “The Energy Assistance Program MOU between Citizens and IHCDA does not specifically address the application of the State’s Energy Assistance Program payments to water and wastewater services.” Strohl, p. 23, lines 1-4.

Q: Is there any guidance on how LIHEAP funding should be applied to customer accounts?
A: Yes. While there is no specific guidance in the MOU between Citizens and IHCDA, the Low Income Home Energy Assistance Act of 1981 does provide
guidance. The Energy Policy Act amended this Act in 1999, and in 2005. Section 2603(6) of this statute establishes the definition of "home energy" as "a source of heating or cooling in residential dwellings." This indicates Citizens should only apply LIHEAP payments to natural gas charges. Payments should not have been applied to water, sewer or non-utility charges, as those items do not provide a source of heating or cooling in residential dwellings.

Q: Did CEG allocate USP funding to water, sewer and non-utility charges, such as Utility Shield?

A: Yes. Mr. Strohl testifies "Although the total amount of the USP discount is based upon only the gas portion of customer bills, Citizens has applied $522,011 of the total USP discount credits to the water/sewer portion of customer bills."

Testimony of Michael D. Strohl, p. 25, lines 5-7. Mr. Strohl adds "Although the total amount of the USP discount is based upon only the gas portion of customer bills, Citizens has applied $421 in USP discount credits to the non-utility portion of customers' bills." Strohl, p. 25, lines 12-14.

Q: Is there any guidance on how USP funding should be applied to customer accounts?

A: Yes. In Cause No. 44094, Citizens Gas requested authority to modify its currently approved USP to replace a portion of the projected reductions in LIHEAP funding and enable assistance to Citizens Gas' qualified low-income customers. In its December 7, 2011 Order in Cause No. 44094, the Commission recognized the anticipated reduction in funding had two impacts on Citizens Gas' service territory. "The most obvious impact is the reduction of available benefits to help low-income customers manage their winter heating bills. Secondly, the
lack of funding also impacts CAP Agencies, who depend on EAP funding to
cover administrative fees incurred to qualify low-income customers for benefits.”

December 7, 2011 Order, Cause No. 44094, p. 16 (Emphasis added.) The
Commission added the continued receipt of heating assistance is important to
both the Petitioners and the communities they serve. Id at p. 17.

Q: Do all Citizens Gas customers contribute to the USP fund?
A: Yes. This is not a voluntary program. Citizens Gas customers do not have a
choice on whether to participate in this program. All Citizens Gas customers
contribute to this universal service fund. USP funding is specifically collected
from Citizens Gas customers for Citizens Gas customers.

Q: Does Citizens intend to reimburse gas customers for these mis-
appropriations?
A: No. In response to OUCC DR 4-5, Citizens indicated it did not believe a
reimbursement was necessary. “Although the USP discount was applied to all
three utility services, the customer received exactly the amount they were entitled
to receive in credits, which was determined as a percent of the gas utility bill.”
(HRP Attachment 2.)

Q: Does the OUCC have any concerns with LIHEAP and USP funding being
allocated to water, sewer and non-utility portions of customer bills?
A: Yes. As discussed above, the definition of LIHEAP specifically relates to the
heating or cooling of residential dwellings. In its order in Cause No. 44094, the
Commission specifically concluded the USP fund is designed to help low income
customers manage their heating bills. The allocation of LIHEAP and USP
funding to water, sewer and non-utility portions of customer bills do not
accomplish the goals of helping low-income customers with the heating or
cooling of their home.

Q: What is the OUCC’s recommendation regarding the application of LIHEAP
and USP funds to water, sewer and non-utility portions of customer bills?
A: A total of $2,018,389 of LIHEAP funds and $522,432 of USP funds were
allocated to water, sewer and non-utility portions of customer bills. The OUCC
recommends CEG contribute $2,540,821 for the upcoming winter heating season
to be applied to Citizens Gas’ low-income customer bills only. This
reimbursement should be in addition to the 25% of normal funding required to be
contributed to the USP fund by Citizens Gas, as found in Cause No. 44094.

III. UTILITY SHIELD

Q: How is Utility Shield marketed to Citizens’ customers?
A: In its response to OUCC DR-1, Question H.3, Citizens states “Utility Shield is
promoted through direct mail and on Citizens’ website. It has been promoted
three times in bill inserts.” (HRP Attachment 3.)

Q: Does the information provided by Utility Shield to Citizens’ customers bear
the CEG name and logo?
A: Yes. As shown in HRP Attachment 4, examples of the promotional materials and
information provided to customers relating to Utility Shield all bear the CEG
name and logo.

Q: Does the promotional information provided for Utility Shield indicate the
information is from CEG?
A: Yes. As shown in HRP Attachment 4, the letters sent to customers are signed by
Michael Strohl, the Senior Vice President of Customer Relationships and
Corporate Affairs at CEG, or Greg Sawyers, the Director of Customer Relationships at CEG. Furthermore, the first line of many letters state “At Citizens Energy Group, our goal is to provide customers with superior customer service.” Other letters state “At Citizens Energy Group, we are continually striving to bring you the best products and services to meet your needs.” This indicates the promotional materials are coming directly from CEG. The letters include a statement in fine print that “Utility Shield is a product of The Manchester Group” and “The Manchester Group is not a Citizens Energy Group company.” However, some promotional materials that bear the CEG name and logo do not mention The Manchester Group.

Q: Is Utility Shield regulated by the Department of Insurance?
A: No. In response to OUCC DR 2-4, Citizens provided a Memorandum of Understanding (MOU), correspondence and notice of operations between Utility Shield and the Indiana Department of Insurance (IDOI). (HRP Attachment 5.) The correspondence between the Manchester Group and the IDOI indicates the 2012 renewal of the MOU was met with considerable resistance by the IDOI. As stated in The Manchester Group’s letter to the IDOI, “The resistance, to the best of our knowledge, stemmed from the IDOI’s articulated position that, since it had no jurisdiction over Manchester or its products, it technically had no authority to enter into or enforce the terms of the MOU - a legitimate concern.”

Q: What are the OUCC’s concerns with CEG using its own name, logo, employees, etc. in marketing Utility Shield to customers?
A: The use of CEG’s name and logo, as well as the language in the promotional materials creates an impression the product is sold and administered by CEG.
Because these service warranties provided by Utility Shield relate to gas, water,
and sewer lines, customers could easily be confused that Utility Shield is included
as part of the Citizens Gas, Citizens Water or CWA Authority, Inc.'s regulated
businesses or are otherwise subject to review and regulation by the Indiana Utility
Regulatory Commission. However, these Utility Shield products are not directly
regulated by the Commission or IDOI, and therefore, there is no regulatory
oversight or reviews of these products to ensure customers are not harmed. Yet
prospective customers of Utility Shield may be under the misimpression they are
procuring a product or service that is subject to the same regulatory oversight as
CEG.

Q: What is the OUCC's recommendation in regards to Utility Shield?
A: The OUCC recommends CEG no longer promote Utility Shield with the Citizens
Energy Group name or logo. This is not a product of CEG, and should not be
marketed as such. The OUCC recommends all Utility Shield promotional
materials be printed on Utility Shield letterhead, with a clear indication these
products are not related to CEG in any way.

IV. BACKGROUND INFORMATION

Q: Did the Commission request background information from Citizens?
A: Yes. Subsection I of the Commission's June 12, 2014 Docket Entry listed four
questions under the issue of Background Information. These questions include:
1. Please describe the internal controls utilized by Citizens to ensure that it is
performing all of its duties and responsibilities as intended by the trust.
2. Please describe the different obligations Citizens has to Marion County residents/customers as opposed to non-Marion County residents/customers.

3. Please indicate the date when the last comprehensive audit of the management and governance practices of CEG and its affiliates was performed and provide a summary description of the results.

4. Please describe the process and procedures utilized by CEG to ensure its operations and governance comply with any transparency requirements of the trust. Please describe how CEG allows access to its books and records in response to public records requests.

Q: Did the OUCC issue data requests relating to CEG’s background information?

A: Yes. The OUCC issued a number of data requests related to the background information section of the Commission’s Final Issues List. The full listing of questions and responses related to this section are included as HRP Attachment 6.

Q: Does the OUCC have any concerns with the responses received in these data requests?

A: The Commission’s questions under the background information section seem to focus on transparency and accountability. The OUCC asked questions to better understand various aspects of the utilities operations including what structures and procedures are in place to promote transparency. (I have attached to my testimony the responses to most of the data requests we asked as HRP Attachment 7.) In some cases CEG’s responses to these questions did not assist us in our understanding of CEG’s operations.
V. CONCLUSION

Q: Please summarize your recommendations.

A: In relation to the LIHEAP and USP payments that have been applied to the water, sewer and non-utility portions of customer bills, the OUCC recommends CEG contribute an amount of $2,540,821 to the upcoming winter heating season to be applied to Citizens Gas' low-income customer bills only. This reimbursement should be in addition to the 25% of normal funding required to be contributed to the USP fund by Citizens Gas. Furthermore, Citizens should not be allowed to seek reimbursement for the $2,540,821 of LIHEAP and USP funds erroneously paid to water, wastewater, or Utility Shield customers.

In relation to the Utility Shield product, the OUCC recommends CEG no longer promote Utility Shield with the CEG name or logo. The OUCC also recommends all Utility Shield promotional material be printed on Utility Shield letterhead, with a clear indication these products are not related to CEG in any way.

Q: Does this conclude your testimony?

A: Yes.
AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.

Heather R. Poole
Senior Utility Analyst
Indiana Office of Utility Consumer Counselor
Cause No. 44462
IURC Investigation

August 12, 2014
Date
EDUCATIONAL BACKGROUND AND EXPERIENCE

I graduated from the School of Business at Ball State University in Muncie, Indiana with a Bachelor of Science Degree in Accounting in May 2001 and a Master of Science Degree in Accounting in May 2002. From September 2002 through September 2010, I worked for London Witte Group, LLC, a CPA firm in Indianapolis, Indiana, as a Senior Staff Accountant. I prepared and reviewed individual, corporate, not-for-profit, property and payroll tax returns. I also prepared compilations, reviews and audit reports in compliance with GAAP for a variety of utility companies and not-for-profit organizations; prepared depreciation schedules; and guided clients through year-end accounting processes, including preparation and review of adjusting entries. I prepared and reviewed Gas Cost Adjustment (GCA) petitions, as well as annual reports filed with the Indiana Utility Regulatory Commission (Commission) for natural gas companies within the State of Indiana. I also prepared rate case exhibits and schedules filed with the Commission on behalf of various gas utility clients.

In December 2010, I began my employment with the OUCC as a Utility Analyst II. In October 2012, I was promoted to Senior Utility Analyst. My current responsibilities include reviewing and analyzing GCA petitions and rate cases filed by Indiana natural gas, electric and water utilities with the Commission. I also review special contracts, tariff, financing, certificate of public necessity, pipeline safety adjustment, alternative regulatory plan, 7-Year Plan, and Transmission, Distribution, and Storage System Improvement Charges (TDSIC) Tracker cases. While employed at the OUCC, I completed NARUC’s Utility Rate School hosted by the Institute of Public
Utilities at Michigan State University and the Institute of Public Utilities Advanced Regulatory Studies Program at Michigan State University. I am also a member of the Indiana CPA Society.
DATA REQUEST NO. 5: In Mr. Strohl’s testimony on page 25, lines 20-21, he states “Citizens acknowledges that USP discounts apply to gas service only and are not intended to be applied to non-gas charges.” Please indicate whether Citizens Gas intends to reimburse gas customers (the USP fund) for the $522,011 USP discount credits that were given to Citizens water and sewer customers.

RESPONSE:

Citizens does not believe a reimbursement is necessary. Although the USP discount was applied to all three utility services, the customer received exactly the amount they were entitled to receive in credits, which was determined as a percent of the gas utility bill.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. H.3: Please describe all means by which Utility Shield is promoted to Citizens Energy Group customers.

RESPONSE:

Utility Shield is promoted through direct mail and on Citizens’ website. It has been promoted three times in bill inserts.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. H.5: Please provide examples of all promotional materials and information provided to Citizens Energy Group customers, or customers of Citizens Energy Group’s subsidiaries, for the period of January 1, 2013 through May 31, 2014. Please include examples of all bill inserts provided to customers.

RESPONSE:

Please see the attached documents identified as OUCC DR – 1.H5a through OUCC DR – 1.H5o.

WITNESS:

Michael D. Strohl
At Citizens Energy Group, we are continually striving to bring you the best products and services to meet your needs. In order to protect your utility lines from expensive utility line failures, we are proud to introduce UtilityShield.

Are you aware that you own your utility lines?

Most homeowners aren’t. And, it’s a fact that over time these hardworking lines will fail due to normal use. Because you own your lines, you are responsible for the repairs when they fall, and the repairs can cost thousands of dollars.

With UtilityShield, taking care of covered utility line failures is easy!

As a Citizens Energy Group customer, you are eligible to receive utility line protection with UtilityShield. Once you are enrolled in UtilityShield, the program will manage covered repairs, provide a local contractor to perform repairs, and pay the contractor for service. It’s that simple!

How do I get protection?

Because you’re a valued customer, getting the protection you need is easy. Just select the plan that you want on the attached enrollment card and return in the postage-paid envelope provided. You will get your first month of protection free, and then the low monthly fee will be conveniently placed on your Citizens Energy Group bill.

Enroll today and join thousands of Citizens customers who have turned their expensive utility line repairs over to UtilityShield. But you must enroll by Friday, October 25, 2013 to receive your first month of protection free.

It’s simple to enroll, choose one of two easy options:

Sincerely,

Michael Strohl,
Senior Vice President, Customer Relationships and Corporate Affairs
P.S. - Don’t forget! Enroll by Friday, October 25, 2013 to receive your first month of protection for free.

UtilityShield is a product of The Manchester Group. The Manchester Group is not a Citizens Energy Group company.

Yes, I want to protect myself from utility line repairs.

Please check the plan you are enrolling in:

- Inside Gas Lines & Inside Electric Lines
- All Inside Lines - Gas, Electric, Water & Sewer
- Complete Protection - All Inside Lines & Outside Water & Sewer Lines

First month free, then $3.95 per month thereafter
First month free, then $7.50 per month thereafter
First month free, then $14.95 per month thereafter

Promo Code: ___

Send no payment now. Your low monthly fee will be added to your monthly Citizens Energy Group bill.
Q&A about UtilityShield

What is UtilityShield?
UtilityShield is a service agreement that provides repair or replacement service for a customer when a protected line fails or leaks due to normal wear and tear or inherent defects in material or craftsmanship. UtilityShield is a Manchester Group product made available to you by Citizens Energy Group.

Who is The Manchester Group?
The Manchester Group is part of IGS Energy — one of the largest privately held energy products and services companies in the country.

Why do I need UtilityShield?
You own your utility lines, and when they fail through normal use, the hassle and expense of repairs are your responsibility. UtilityShield takes care of the repair for you.

Doesn't homeowner's insurance cover the cost of repairs? No, because utility lines typically fail through normal use, and this type of failure is not covered under homeowner's insurance. In fact, a report by the National Association of Insurance Commissioners warned that most homeowners incorrectly assume broken utility lines are covered by their homeowner's policies.

Are lines connecting my home to a well or septic line eligible for protection? Yes. The single most direct line that connects your home to a private well or septic tank located on your property may be protected under UtilityShield.

Is there a fee to cancel? No. There is no long-term commitment with UtilityShield. You may cancel the protection at any time — no questions asked.

What does Citizens do with revenue received from UtilityShield? Citizens contributes all proceeds received from UtilityShield to the Warm Heart Warm Home Foundation. In 1997, Citizens Energy Group established the Warm Heart Warm Home Foundation to assist families and individuals who are faced with financial hardships. To date, UtilityShield has generated over $525,000 to assist families with paying their utility bills.

What do I do if I need a repair? Simply call your appropriate local utility to report a loss of service and then call the UtilityShield customer care center. UtilityShield will have a qualified contractor contact you — usually within 12 hours — to schedule repairs provided under UtilityShield.

How will I obtain the service agreement? After your enrollment request is processed, you will be mailed a UtilityShield service agreement. Your enrollment date will be the date your enrollment request is processed. Your effective date (when protection under UtilityShield begins) is 15 days after your enrollment date. You have a 30 day “free-look” period from your enrollment date to review the service agreement. If you cancel during the “free-look” period, you will owe nothing and will not be eligible for service under UtilityShield. Any service provided under UtilityShield will be administered according to the service agreement. If you would like to review the service agreement prior to requesting enrollment, you can view a copy online through the Citizens Energy Group website or request a copy by calling 1-888-544-4541. To review a copy of the service agreement online, please visit www.citizensenergycroup.com and select UtilityShield under the Energy tab located at the top left side of your browser window.

Important: If you suspect a natural gas line leak, you must first get yourself and others out of the house and stay a safe distance away. Do not operate electrical equipment inside your home. Call your local gas utility to report your emergency. If you are a Citizens Energy gas customer call 1-317-924-3311. Once Citizens Energy Group has determined your home is safe to reenter, call UtilityShield to report your claim at 1-800-581-8604.

Don’t wait until your utility lines fail, and it’s too late — enroll today!

Mail: Complete and return the enrollment card in the postage-paid envelope.

Phone: Call us at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET).

Please make corrections here as needed.
Customer Name (Please Print): ____________________________
Street Address: ________________________________
City: _____________________________
State/Zip: ________________________________

By enrolling, I understand that I am purchasing a service agreement and not an insurance policy. Also, I certify that there are no pre-existing conditions affecting my utility lines. Further, I understand and agree that lines with pre-existing conditions are not eligible for protection under UtilityShield. Prior removal of material from my sewer line is deemed a pre-existing condition.
Here are some facts about your home you should know:

Homeowners mistakenly think utility line breaks and failures are covered under their standard homeowners' policies.

- National Association of Insurance Commissioners survey results.

Research shows you are 30 times more likely to pay for a utility line repair than file an insurance claim for a home fire.

- National Fire Protection Association, Research & Reports.

UtilityShield Overview

UtilityShield's utility line protection plan provides repair or replacement service if a protected line fails due to normal wear and tear or inherent defects in material or craftsmanship.

You will receive protection only for the eligible lines which you have enrolled on, and only if the plan fees have been paid according to the service agreement. UtilityShield only provides service to protected lines which fail due to a covered cause. Other limitations and exclusions apply. Please read your service agreement.

Eligibility

You must own and be responsible for the single family dwelling, planned unit development, or mobile home to which the protected lines are attached. Further, you must be responsible for the upkeep of all the protected lines.

Your Representations

By enrolling in UtilityShield, you represent that all lines to be protected by the program were installed by a licensed contractor according to the applicable building codes. These lines are currently connected to the public utility system and are in good working order, and you are without any known defects or problems at the time of your enrollment.

Other Important Information

This marketing material is not a contract and only provides a brief description of UtilityShield. After enrolling, you will receive a copy of the service agreement to review. You have a 30 day free look period with UtilityShield. If you cancel within 30 days of enrollment, you will owe nothing. Any services provided under UtilityShield will be administered in accordance with the service agreement. Protection begins 15 days after your enrollment is processed. It is solely your responsibility to determine your eligibility to participate in UtilityShield.

UtilityShield for Citizens Energy Group Customers

Your home, along with all of its utility lines, is your most valuable asset.

Why leave it unprotected when a single utility line failure can cost $2,000 or more to repair?

Enroll today and never waste a minute worrying. UtilityShield will pay for expensive utility line repairs. As a Citizens Energy Group customer, you can enroll in UtilityShield, and the low monthly fee will be added to your monthly Citizens Energy Group bill.

It's that simple!
Exclusive Protection for Citizens Energy Group Customers

First month free, then:
- $3.95 per month thereafter
- Average Repair Cost: $500 - $1,000
- Protection: 1 up to $2,000 per line

Inside Gas Lines & Inside Electric Lines

First month free, then:
- $7.50 per month thereafter
- Average Repair Cost: $100 - $200
- Protection: 1 up to $2,000 per line

All Inside Lines
- Gas, Electric, Water & Sewer

First month free, then:
- $14.95 per month thereafter
- Average Repair Cost: $500 - $4,500
- Inside Lines Protection: 1 up to $2,000 per line
- Outside Water Protection: 1 up to $4,500
- Outside Sewer Protection: 1 up to $8,000

Complete Protection
- All Inside Lines + Outside Water & Sewer Lines

try it for free

It's a fact: You could be enrolled in UtilityShield protection for over 20 years and still pay less than a single utility line repair.

UtilityShield is the low-cost, no-hassle way to protect yourself from expensive utility line repairs.

Enroll Today

Mall: Complete and return the enclosed enrollment card in the postage-paid envelope.
Phone: Call us at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET).
At Citizens Energy Group, we are continually striving to bring you the best products and services to meet your needs. You can now protect yourself from expensive heating, cooling and water heater system repairs. To protect these vital systems and protect you from expensive repair bills, we are proud to announce the UtilityShield HVAC System Protection Plans.

Did you know that a heating, cooling or water heater repair can cost you $500 or more?

It's a fact that these hard working systems will fail at some point due to normal use. With UtilityShield, taking care of covered system failures is easy! Enroll in the Bundled System Protection Plan, and UtilityShield will manage the covered repairs, provide a qualified local contractor to perform repairs, and pay the contractor for service. It's that simple!

How do I enroll in the HVAC System Protection Plans?

We've made it quick and easy - just select the plan that's best for you on the attached enrollment card. Take advantage of enrolling in the Bundled System Protection Plan today and save over $35 per year.

Start your protection today! Ensure that your hard working HVAC systems and water heater are protected. The low monthly fee will be conveniently placed on your Citizens Energy Group bill.

Choose one of two easy options to enroll:

- Phone: Call toll-free at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET)
- Mail: Sign and return the enrollment card in the postage-paid envelope.

Whether you have a furnace, boiler, central air conditioning unit, heat pump, or water heater; rest assured that UtilityShield has the protection you need for the hard-working systems of your home. Let UtilityShield take care of the repairs and cover the costs. But you must enroll by Friday, December 13, 2013 to start your protection.

Sincerely,

Michael Strohl
Senior Vice President, Customer Relationships and Corporate Affairs

UtilityShield is a product of The Manchester Group.
The Manchester Group is not a Citizens Energy Group company.

Return this enrollment card to start protection.

Yes, I want to protect myself from costly utility system failures.

Promo Code:

Home Phone #: ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

☑ Check here if your address is different than the address listed below. If necessary, please list your correct address on the back of this card.

Send no payment now. Your low monthly fee will be added to your monthly Citizens Energy Group bill.
Q&A about UtilityShield

What is UtilityShield? UtilityShield is a service agreement that provides repair or replacement service for a customer when an HVAC or water heater system fails or leaks due to normal wear and tear or inherent defects in material or craftsmanship. UtilityShield is a Manchester Group product made available to you by Citizens Energy Group.

Who is the Manchester Group? The Manchester Group is part of IGS Energy—one of the largest privately held energy products and services companies in the country.

Why do I need UtilityShield? You own your water heater, and HVAC system, and when they fail through normal use, the hassle and expense of repairs are your responsibility. UtilityShield protection takes care of the repair for you.

Doesn't homeowner's insurance cover the cost of repairs? Homeowners insurance typically does not cover the cost of repairs because HVAC systems, and water heaters typically fail through normal use, and this type of failure is not covered under homeowner's insurance.

Is there a fee to cancel? No. There is no long-term commitment with UtilityShield. You may cancel the protection at any time—no questions asked.

What do I do if I need a repair? Simply call UtilityShield to report a loss of service on a protected system. UtilityShield will have a qualified contractor contact you—usually within 12 hours—to schedule repairs provided under UtilityShield.

What does Citizens do with revenue received from UtilityShield? Citizens contributes all proceeds received from UtilityShield to the Warm Heart Warm Home Foundation. In 1994, Citizens Energy Group established the Warm Heart Warm Home Foundation to assist families and individuals who are faced with financial hardships. To date, UtilityShield has generated over $600,000 to assist families with paying their utility bills.

How will I obtain the service agreement? After your enrollment request is processed, you will be mailed a UtilityShield service agreement. Your enrollment date will be the date your enrollment request is processed. Your effective date (when protection under UtilityShield begins) is 15 days after your enrollment date. If you would like to review the service agreement prior to requesting enrollment, you can view a copy online through the Citizens Energy Group website or request a copy by calling 1-888-544-4541. To review a copy of the service agreement online, please visit www.citizensenergigroup.com and select UtilityShield under the energy tab located at the top left side of your browser window.

Important: If you suspect a natural gas line leak, you must first get yourself and others out of the house and stay a safe distance away. Do not operate electrical equipment or your phone inside your home. Call Citizens Energy Group at 1-317-942-3311 to report your emergency. Once Citizens Energy Group has determined your home is safe to reenter, call UtilityShield to report your claim at 1-800-581-8461.

UtilityShield Overview
UtilityShield’s system protection plans provide repair or replacement service for a customer when an HVAC or water heater system fails or leaks due to normal wear and tear or inherent defects in material or craftsmanship.

You will receive protection only for the eligible systems which you have enrolled, and only if the plan fees have been paid according to the service agreement.

UtilityShield only provides service for failed systems which will fail due to a covered cause. Other limitations and exclusions apply. Please read your entire service agreement.

Eligibility
You must own and be responsible for the single family dwelling, planned unit development, or mobile home to which the protected systems are attached. Further, you must be responsible for the upkeep of all the protected systems.

Your Representations
By enrolling in UtilityShield, you represent that all systems to be protected by the program were installed by a licensed contractor according to the applicable building code and are in use and in good working order, and are without any leaks, failures, or problems at the time of your enrollment.

Other Important Information
This marketing material is not a contract and only provides a brief description of UtilityShield. After enrolling, you will receive a service agreement to review. You have 30 days from the date of your enrollment to cancel without obligation. Any service provided under UtilityShield will be administered in accordance with the service agreement. Protection begins 15 days after your enrollment is processed. It is solely your responsibility to determine your eligibility to participate in UtilityShield.

Don’t wait until your systems fall, and it’s too late—enroll today!
Mail: Complete and return the enrollment card in the postage-paid envelope.
Phone: Call us at 1-888-544-4541 Monday – Friday, 8:00 a.m. – 6:00 p.m. (ET).

Please make corrections here as needed.
Customer Name (Please Print): 
Street Address: 
City: 
State/Zip: 

By enrolling, I understand that I am purchasing a service agreement and not an insurance policy. Also, I certify that there are no pre-existing conditions affecting my systems. Further, I understand and agree that lines or systems with pre-existing conditions are not eligible for protection under UtilityShield.
Let UtilityShield take care of expensive system repairs!

Homeowners can't predict when their heating, cooling or water heater systems will fail. But it's a fact that they do. Take the stress and expense of system repairs out of your life. Turn costly repairs over to UtilityShield.

The average national heating and cooling repair cost can be up to $500, by having this protection all covered costs would be paid by UtilityShield. It is all a simple process. Ken - Independent Contractor

NO cancellation fees.
NO deductibles.

Enroll today and the low monthly fee will be added to your monthly Citizens Energy Group utility bill. It's that simple!
Mail: Complete and return the enclosed enrollment card in the postage-paid envelope.
Phone: Call us at 1-888-544-4541, Monday - Friday 8 am - 6 pm (ET).
Get the protection you need!

**System Protection:**
- Furnace, Boiler or Central Air Conditioner
  - $9.95 per month
  - Protection - Up to $1,750
- Heat Pump
  - $18.95 per month
  - Protection - Up to $2,000
- Water Heater
  - $3.95 per month
  - Protection - Up to $750

**Bundled System Protection:**
- Furnace & Central Air Conditioner + Water Heater
  - $19.95 per month
  - Furnace Protection - Up to $1,750
  - Air Conditioner Protection - Up to $1,750
  - Water Heater Protection - Up to $750

- Boiler & Central Air Conditioner + Water Heater
  - $19.95 per month
  - Boiler Protection - Up to $1,750
  - Air Conditioner Protection - Up to $1,750
  - Water Heater Protection - Up to $750

- Heat Pump & Water Heater
  - $19.95 per month
  - Heat Pump Protection - Up to $2,000
  - Water Heater Protection - Up to $750
At Citizens Energy Group, our goal is to provide customers with superior customer service. Many of our customers have chosen to protect themselves from expensive utility line repairs with UtilityShield, and now we are pleased to announce that you can protect yourself from expensive heating, cooling and water heater system repairs too. To protect these vital systems and protect you from expensive repair bills, we are proud to announce the UtilityShield HVAC System Protection Plans.

Special savings just for you!

Since you have complete protection on your utility lines with UtilityShield, you qualify for huge savings on a UtilityShield HVAC System Protection Plan. By adding the Bundled System Protection Plan to your current UtilityShield Protection Plan, your home will have the best protection for the best value - saving you over $100 per year.

Did you know that a heating, cooling or water heater repair can cost you $500 or more?

It's a fact that these hard working systems will fail at some point due to normal use. With UtilityShield, taking care of covered system failures is easy! Enroll in the Bundled Protection Plan, and UtilityShield will manage the covered repair, provide a qualified local contractor to perform repairs, and pay the contractor for service. It's that simple!

How do I add the HVAC System Protection Plans?

We've made it quick and simple - just select the plan that's best for you on the attached enrollment card. And, as a current Citizens Energy Group UtilityShield customer, when you add the Bundled System Protection Plan to your current plan, you will save over $100 per year!

Enroll today to expand your protection! Ensure that your hard working systems and water heater are protected. The low monthly fee will be conveniently placed on your Citizens Energy Group bill.

Choose one of two easy options to enroll:

- **Phone:** Call toll-free at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET)
- **Mail:** Sign and return the enrollment card in the postage-paid envelope.

Whether you have a furnace, boiler, central air conditioning unit, heat pump, or water heater, rest assured that UtilityShield has the protection you need for the hard-working systems of your home. Let UtilityShield take care of the repairs and cover the costs. But you must enroll by Friday, January 31, 2014 to start your protection.

Sincerely,

Michael Strohl
Senior Vice President, Customer Relationships and Corporate Affairs

UtilityShield is a product of the Manchester Group.
The Manchester Group is not a Citizens Energy Group company.

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Return this enrollment card to start protection.

Yes, I want to protect myself from costly utility system failures.

Please check the plan you are enrolling in:

<table>
<thead>
<tr>
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Bundled System Protection Save over $100.00/yr!

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<td>$14.00 $55.87</td>
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Q&A about UtilityShield

What is UtilityShield?
UtilityShield is a service agreement that provides repair or replacement service for a customer when a protected line, water heater, HVAC system fails, or leaks due to normal wear and tear or inherent defects in material or craftsmanship. UtilityShield is a Manchester Group product, available to you by Citizens Energy Group.

Who is the Manchester Group?
The Manchester Group is part of IGS Energy—one of the largest privately held energy products and services companies in the country.

Why do I need UtilityShield?
You own your utility lines, water heater, and HVAC system, and when they fail through normal use, the cost and expense of repair are your responsibility. UtilityShield protection takes care of the repair for you.

Doesn't homeowner's insurance cover the cost of repairs?
Homeowners insurance typically does not cover the cost of repairs because utility lines, HVAC systems, and water heaters typically fail through normal use, and this type of failure is not covered under homeowners' insurance. In fact, a report by the National Association of Insurance Commissioners warned that most homeowners incorrectly assume these types of repairs are covered by their homeowners' policies.

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What do I do if I need a repair?
If you suspect a natural gas line leak, you must first get yourself and others out of the house and stay a safe distance away.

Important: If you suspect a natural gas line leak, you must first get yourself and others out of the house and stay a safe distance away.

Do not operate electrical equipment or your phone inside your home. Call Citizens Energy Group at 1-317-924-3311 to report your emergency. Once Citizens Energy Group has determined your home is safe to reenter, call UtilityShield to report your emergency. Citizens Energy Group will then send a qualified contractor to your home, usually within 12 hours, to perform the needed repair or replacement service under UtilityShield.

UtilityShield Overview

UtilityShield's system protection plans provide repair or replacement service if a protected system fails due to normal wear and tear or inherent defects in material or craftsmanship.

You will receive protection only for the eligible systems which you own and are in use and in good working order, and are not due to your fault, failure, or problems at the time of your enrollment.

Your representations by enrolling in UtilityShield, you represent that all systems to be protected by the program were installed by a licensed contractor according to the applicable building codes and are in use and in good working order, and are without any leaks, failures, or problems at the time of your enrollment.

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Eligibility

You must own and be responsible for the single family dwelling, planned unit development, or mobile home to which the protected systems are attached. Further, you must be responsible for the upkeep of all the protected systems.

Don't wait until your systems fail, and it's too late—enroll today!
Mail: Complete and return the enrollment card in the postage-paid envelope.
Phone: Call us at 1-888-544-4541 Monday—Friday, 8:00 a.m.—6:00 p.m. (ET).

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Customer Name (Please Print): ___________________________
Street Address: _________________________________________
City: _________________________________________________
State/Zip: ____________________________________________

By enrolling, I understand that I am purchasing a service agreement for my home and not an insurance policy. Also, I certify that there are no pre-existing conditions affecting my systems. Further, I understand and agree that lines or systems with pre-existing conditions are not eligible for protection under UtilityShield.
Let UtilityShield take care of expensive system repairs!

Homeowners can't predict when their heating, cooling or water heater systems will fail. But it's a fact that they do. Take the stress and expense of heating, cooling, and water heater system repairs out of your life. Turn costly repairs over to UtilityShield.

"The average national heating and cooling repair cost can be up to $500, by having this protection all covered costs would be paid by UtilityShield. It is all a simple process." Ken - Independent Contractor

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NO deductibles.

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Phone: Call us at 1-888-544-4541, Monday - Friday 8 am - 6 pm (ET).
Get the protection you need!

System Protection:
- **Furnace, Boiler or Central Air Conditioner**
  - $9.95 per month
  - Protection - Up to $1,750
- **Heat Pump**
  - $18.95 per month
  - Protection - Up to $2,000
- **Water Heater**
  - $3.95 per month
  - Protection - Up to $750

Bundled System Protection:
- **Furnace & Central Air Conditioner + Water Heater**
  - $19.95 per month
  - Furnace Protection - Up to $1,750
  - Air Conditioner Protection - Up to $1,750
  - Water Heater Protection - Up to $750
- **Boiler & Central Air Conditioner + Water Heater**
  - $19.95 per month
  - Boiler Protection - Up to $1,750
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- **Heat Pump & Water Heater**
  - $19.95 per month
  - Heat Pump Protection - Up to $2,000
  - Water Heater Protection - Up to $750
Utility Shield
Service and repairs made easy.

At Citizens Energy Group, our goal is to provide customers with superior customer service. Many of our customers have chosen to protect themselves from expensive utility line repairs with Utility Shield, and now we are pleased to announce that you can protect yourself from expensive heating, cooling and water heater system repairs too. To protect these vital systems and protect you from expensive repair bills, we are proud to announce the Utility Shield HVAC System Protection Plans.

Since you already have Utility Shield protection on one or more of your utility lines, we wanted you to be the first to know that we now offer the same great protection for your heating, cooling and water heater systems.

Did you know that a heating, cooling or water heater repair can cost you $500 or more?

It's a fact that these hard working systems will fail at some point due to normal use. With Utility Shield, taking care of covered system failures is easy! Enroll in the Bundled System Protection Plan, and Utility Shield will manage the covered repair, provide a qualified local contractor to perform repairs, and pay the contractor for service. It's that simple!

How do I add the HVAC System Protection Plans?

We've made it quick and simple; just select the plan that's best for you on the attached enrollment card. Take advantage of adding the Bundled Protection Plan to your Utility Shield Protection Plan today and save over $35 per year!

Enroll today to expand your protection! Ensure that your hard-working systems are protected. The low monthly fee will be conveniently placed on your Citizens Energy Group bill.

Choose one of two easy options to enroll:

Phone: Call toll-free at 1-888-544-4541, Monday-Friday, 8:00 a.m. - 5:00 p.m. (ET)

Mail: Sign and return the enrollment card in the postage-paid envelope.

Whether you have a furnace, boiler, central air conditioning unit, heat pump, or water heater, rest assured that Utility Shield has the protection you need for the hard-working systems of your home. Let Utility Shield take care of the repairs and cover the costs. But you must enroll by Friday, January 31, 2019 to start your protection.

Sincerely,

Michael Strohl
Senior Vice President, Customer Relationships and Corporate Affairs

Utility Shield is a product of the Manchester Group.

The Manchester Group is not a Citizens Energy Group company.

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**Return this enrollment card to start protection.**

**Yes, I want to protect myself from costly utility system failures.**

Please check the plan you are enrolling in:

<table>
<thead>
<tr>
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</thead>
<tbody>
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**Bundled System Protection Save over $35.00/yr!**

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<tr>
<th>Plan Description</th>
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<tr>
<td>Furnace &amp; Central Air Conditioner + Water Heater</td>
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Q&A about UtilityShield

What is UtilityShield?
UtilityShield is a service agreement that provides repair or replacement service for a customer when a protected line, water heater, or HVAC system fails or leaks due to normal wear and tear or inherent defects in material or craftsmanship. UtilityShield is a Manchester Group product made available to you by Citizens Energy Group.

Who is the Manchester Group?
The Manchester Group is part of IGS Energy—one of the largest privately held energy products and services companies in the country.

Why do I need UtilityShield?
You own your utility lines, water heater, and HVAC system, and when they fail through normal use, the hassle and expense of repair are your responsibility. UtilityShield protection takes care of the repair for you.

Does homeowner's insurance cover the cost of repairs?
Homeowners insurance typically does not cover the cost of repairs because utility line, HVAC systems, and water heaters typically fail through normal use, and this type of failure is not covered under homeowner's insurance. In fact, a report by the National Association of Insurance Commissioners warned that most homeowners incorrectly assume these types of repairs are covered by their homeowners’ policies.

Is there a fee to cancel?
No. There is no long-term commitment with UtilityShield. You may cancel the protection at any time—no questions asked.

What do I do if I need a repair?
To report a loss or service on a protected system, simply call UtilityShield. UtilityShield will have a qualified contractor contact you—usually within 12 hours—to schedule repairs provided under UtilityShield.

What does Citizens do with revenue received from UtilityShield?
Citizens contributes all proceeds received from UtilityShield to the Warm Heart Warm Home Foundation. In 1994, Citizens Energy Group established the Warm Heart Warm Home Foundation to assist families and individuals who are faced with financial hardships. To date, UtilityShield has generated over $500,000 to assist families with paying their utility bills.

How will I obtain the service agreement?
After your enrollment request is processed, you will be mailed a UtilityShield service agreement. Your enrollment date will be the date your enrollment request is processed. Your effective date (when protection under UtilityShield begins) is 15 days after your enrollment date. You have a 30 day "free-lock period" from your enrollment date to review the service agreement. If you cancel during the "free-lock period," you will owe nothing and will not be eligible for service under UtilityShield. Any service provided under UtilityShield will be administered according to the service agreement. If you would like to review the service agreement prior to requesting enrollment, you can view a copy online through the Citizens Energy Group website or request a copy by calling 1-888-544-4541. To review a copy of the service agreement online, please visit www.citizensenergygroup.com and select UtilityShield under the Energy tab located at the top left side of your browser window.

Important: If you suspect a natural gas line leak, you must first get yourself and others out of the house and stay a safe distance away. Do not operate electrical equipment or your phone inside your home. Call Citizens Energy Group at 1-888-544-3311 to report your emergency. Once Citizens Energy Group has determined your home is safe to reenter, call UtilityShield to report your claim at 1-800-581-8001.

Additional Information

UtilityShield Overview
UtilityShield's system protection plans provide repair or replacement service for a customer when a protected line, water heater, or HVAC system fails due to normal wear and tear or inherent defects in material or craftsmanship.

You will receive protection only for the eligible systems which you have enrolled, and only if the plan fees have been paid according to the service agreement. UtilityShield only provides service to failed systems which fail due to a covered cause. Other limitations and exclusions apply. Please read your entire service agreement.

Eligibility
You must own and be responsible for the single family dwelling, planned unit development, or mobile home to which the protected systems are attached. Further, you must be responsible for the upkeep of all the protected systems.

Your Representations
By enrolling in UtilityShield, you represent that all systems to be protected by the program were installed by a licensed contractor according to the applicable building code and are in use and in good working order, and are without any leaks, failures, or problems at the time of your enrollment.

Other Important Information
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Please make corrections here as needed.

Customer Name (Please Print): ________________________________
Street Address: _____________________________________________
City: ______________________________________________________
State/Zip: __________________________________________________

By enrolling, I understand that I am purchasing a service agreement, and not an insurance policy. Also, I certify that there are no pre-existing conditions affecting my systems. Further, I understand and agree that lines or systems with pre-existing conditions are not eligible for protection under UtilityShield.
At Citizens Energy Group, we are continually striving to bring you the best products and services to meet your needs. You can now protect yourself from expensive heating, cooling and water heater system repairs. To protect these vital systems and protect you from expensive repair bills, we are proud to announce the Utility Shield HVAC System Protection Plans.

Did you know that a heating, cooling or water heater repair can cost you $500 or more?

It's a fact that these hard-working systems will fail at some point due to normal use. With Utility Shield, taking care of covered system failures is easy! Enroll in the Bundled System Protection Plan, and Utility Shield will manage the covered repairs, provide a qualified local contractor to perform repairs, and pay the contractor for service. It's that simple!

How do I enroll in the HVAC System Protection Plans?

We've made it quick and simple - just select the plan that's best for you on the attached enrollment card. Take advantage of enrolling in the Bundled System Protection Plan today and save over $15 per year!

Start your protection today! Ensure that your hard working HVAC systems and water heater are protected. The low monthly fee will be conveniently placed on your Citizens Energy Group bill.

Choose one of two easy options to enroll:

- **Phone:** Call toll-free at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET)
- **Mail:** Sign and return the enrollment card in the postage-paid envelope.

Whether you have a furnace, boiler, central air conditioning unit, heat pump, or water heater; rest assured that Utility Shield has the protection you need for the hard-working systems of your home. Let Utility Shield take care of the repairs and cover the costs. But you must enroll by Friday, January 31, 2014 to start your protection.

Sincerely,

Michael Strohl
Senior Vice President, Customer Relationships and Corporate Affairs

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**UtilityShield**
Service and repairs made easy.

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**Yes, I want to protect myself from costly utility system failures.**

Please check the plan(s) you are enrolling in:

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**Bundled System Protection Save over $35.00/yr**

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Doesn't homeowner's insurance cover the cost of repairs?
Homeowners insurance typically does not cover the cost of repairs because HVAC systems, and water heaters typically fail through normal use, and this type of failure is not covered under homeowner's insurance.

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Important: If you suspect a natural gas line leak, you must first get yourself and others out of the house and stay a safe distance away.

Do not operate electrical equipment or your phone inside your home. Call Citizens Energy Group at 1-317-924-3311 to report your emergency. Once Citizens Energy Group has determined your home is safe to reenter, call UtilityShield to report your claim at 1-800-581-8664.

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Duties
You must own and be responsible for the single family dwelling, planned unit development, or mobile home to which the protected systems are attached. Further, you must be responsible for the upkeep of all the protected systems.

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- **Water Heater**
  - $3.95 per month
  - Protection - Up to $750

**Bundled System Protection:**
- **Furnace & Central Air Conditioner + Water Heater**
  - $19.95 per month
  - Furnace Protection - Up to $1,750
  - Central Air Conditioner Protection - Up to $1,750
  - Water Heater Protection - Up to $750
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At Citizens Energy Group, we are continually striving to bring you the best products and services to meet your needs. You can now protect yourself from expensive heating, cooling and water heater system repairs. To protect these vital systems and protect you from expensive repair bills, we are proud to announce the Utility Shield HVAC System Protection Plans.

Did you know that a heating, cooling or water heater repair can cost you $500 or more?

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How do I enroll in the HVAC System Protection Plans?

We've made it quick and simple - just select the plan that's best for you on the attached enrollment card. Take advantage of enrolling in the Bundled System Protection Plan today and save over $35 per year!

Start your protection today! Ensure that your hard working HVAC systems and water heater are protected. The low monthly fee will be conveniently placed on your Citizens Energy Group bill.

Choose one of two easy options to enroll:

Phone: Call toll-free at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET)

Mail: Sign and return the enrollment card in the postage-paid envelope.

Whether you have a furnace, boiler, central air conditioning unit, heat pump, or water heater; rest assured that Utility Shield has the protection you need for the hard-working systems of your home. Let Utility Shield take care of the repairs and cover the costs. But you must enroll by Friday, May 9, 2014 to start your protection.

Sincerely,

Greg Sawyer,
Director of Customer Relationships

Utility Shield is a product of The Manchester Group. The Manchester Group is not a Citizens Energy Group company.
Q&A about UtilityShield

What is UtilityShield?
UtilityShield is a service agreement that provides repair or replacement service for a customer when an HVAC or water heater system fails or leaks due to normal wear and tear or inherent defects in material or craftsmanship. UtilityShield is a Manchester Group product made available to you by Citizens Energy Group.

Who is The Manchester Group?
The Manchester Group is part of IGS Energy – one of the largest privately held energy products and services companies in the country.

Why do I need UtilityShield?
You own your water heater, and HVAC system, and when they fail through normal use, the hassle and expense of repairs are your responsibility. UtilityShield protection takes care of the repair for you.

Doesn’t homeowner’s insurance cover the cost of repairs?
Homeowner’s insurance typically does not cover the cost of repairs because HVAC systems, and water heaters typically fail through normal use, and this type of failure is not covered under homeowner’s insurance.

Is there a fee to cancel?
No. There is no long-term commitment with UtilityShield. You may cancel the protection at any time – no questions asked.

What do I do if I need a repair?
To report a loss of service on a protected system, simply call UtilityShield. UtilityShield will have a qualified contractor contact you – usually within 12 hours – to schedule repairs provided under UtilityShield.

What does Citizens do with revenue received from UtilityShield?
Citizens contributes all proceeds received from UtilityShield to the Warm Heart Warm Home Foundation. In 1994, Citizens Energy Group established the Warm Heart Warm Home Foundation to assist families and individuals who are facing financial hardships. To date, UtilityShield has generated over $700,000 to assist families with paying their utility bills.

How will I obtain the service agreement?
After your enrollment request is processed, you will be mailed a UtilityShield service agreement. Your enrollment date will be the date your enrollment request is processed. Your effective date (when protection under UtilityShield begins) is 15 days after your enrollment date. If you would like to review the service agreement prior to requesting enrollment, you can view a copy online through the Citizens Energy Group website or request a copy by calling 1-888-544-4541. To review a copy of the service agreement online, please visit www.citizensenergygroup.com and select UtilityShield under the Energy tab located at the top left side of your browser window.

Important: If you suspect a natural gas line leak, you must first get yourself and others out of the house and stay a safe distance away. Do not operate electrical equipment or your phone inside your home. Call Citizens Energy Group at 1-317-924-3318 to report your emergency. Once Citizens Energy Group has determined your home is safe to enter, call UtilityShield to report your claim at 1-800-581-8604.

Your Representations
By enrolling in UtilityShield, you represent that all systems to be protected by the program were installed by a licensed contractor according to the applicable building code and are in use and in good working order, and are without any leaks, failures, or problems at the time of your enrollment.

Other Important Information
This marketing material is not a contract and only provides a brief description of UtilityShield. After enrolling, you will receive a service agreement to review. You have 30 days from the date of your enrollment to cancel without obligation. Any service provided under UtilityShield will be administered in accordance with the service agreement. Protection begins 15 days after your enrollment is processed. It is solely your responsibility to determine your eligibility to participate in UtilityShield.
Research shows you are 30 times more likely to pay for utility line repair than file an insurance claim for a home fire.

- National Fire Protection Association, Research & Reports.

UtilityShield Explained

UtilityShield's utility line protection plans provide repair or replacement service if a protected line fails due to normal wear and tear or inherent defects in material or craftsmanship.

You will receive protection only for the eligible items which you have enrolled, and only if the plan fees have been paid according to the service agreement. Unstated costs associated to protected lines which fail due to a covered cause. Other limitations and exclusions apply. Please read your entire service agreement.

Eligibility

You must own and be responsible for the single family dwelling, planned unit development (e.g., townhome), or mobile home to which the protected lines are attached. Further, you must be responsible for the upkeep of all the protected lines.

Your Responsibilities

By enrolling in UtilityShield, you represent that all lines to be protected by the program were installed by a licensed contractor; according to the applicable building code, are currently connected to the public utility (well and septic tank are acceptable), are in use and in good working order, and are without any leaks, failures, or problems at the time of your enrollment.

Other Important Information

This enrollment is not a contract, and only provides a limited description of UtilityShield. After enrollment, you will receive a copy of the service agreement to review. You must have a 30 day free look period with UtilityShield. If you cancel within 30 days of enrollment, you will owe nothing. Any service provided under UtilityShield will be administered in accordance with the service agreement. Protection begins 15 days after your enrollment is processed. It is solely your responsibility to determine your eligibility to participate in the program.

UtilityShield is an affiliate of The Anderson Group, Inc. (Anderson Group) is a Citizens Energy Group company.

Your home, along with all of its utility lines, is your most valuable asset.

Why leave it unprotected when a single utility line failure can cost $2,000 or more to repair?

Citizens Energy and your partner in vital living, UtilityShield, pay for repairs of any line that requires it. As a Citizens Energy Group customer, you have enrolled in UtilityShield, and the investment you will be added between, municipalities, Citizens Energy Group and you.

It's that simple!
Exclusive Protection for Citizens Energy Group Customers

First month free, then $3.95 per month thereafter
Average Repair Cost $500 - $1,000
Protection 1 Up to $2,000 per line

First month free, then $7.50 per month thereafter
Average Repair Cost $850 - $2,000
Protection 1 Up to $2,000 per line

First month free, then $14.95 per month thereafter
Average Repair Cost $4,500 - $5,000
Protection 1 Up to $2,000 per line

Inside Gas Lines & Inside Electric Lines

All Inside Lines
Gas, Electric, Water & Sewer

Complete Protection
All Inside Lines + Outside Water & Sewer Lines

It's a fact: You could be enrolled in UtilityShield protection for over 20 years and still pay less than a single utility line repair.

Enroll Today
Mail: Complete and return the enclosed enrollment card in the postage-paid envelope.
Phone: Call us at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET).

try it for free

UtilityShield is the low-cost, no-hassle way to protect yourself from expensive utility line repairs.

Electrical, Heating, Air Conditioning, Gas, Electric, Water & Sewer Lines

CAUTION: Do not attempt to repair a gas leak yourself. Contact a qualified Citizens Energy Group employee immediately.

Citizens Energy Group

Inside Gas Lines & Inside Electric Lines

All Inside Lines
Gas, Electric, Water & Sewer

Complete Protection
All Inside Lines + Outside Water & Sewer Lines

try it for free

It's a fact: You could be enrolled in UtilityShield protection for over 20 years and still pay less than a single utility line repair.

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Citizens Energy Group

Inside Gas Lines & Inside Electric Lines

All Inside Lines
Gas, Electric, Water & Sewer

Complete Protection
All Inside Lines + Outside Water & Sewer Lines

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try it for free

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Citizens Energy Group

Inside Gas Lines & Inside Electric Lines

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Gas, Electric, Water & Sewer

Complete Protection
All Inside Lines + Outside Water & Sewer Lines

try it for free

It's a fact: You could be enrolled in UtilityShield protection for over 20 years and still pay less than a single utility line repair.

Enroll Today
Mail: Complete and return the enclosed enrollment card in the postage-paid envelope.
Phone: Call us at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET).
At Citizens Energy Group, we are continually striving to bring you the best products and services to meet your needs. In order to protect yourself from expensive utility line failures, we are proud to offer UtilityShield.

Are you aware that you own your utility lines?

Most homeowners aren’t. And, it’s a fact that over time these hardworking lines will fail due to normal use. Because you own your lines, you are responsible for the repairs when they fail, and the repairs can cost thousands of dollars.

With UtilityShield, taking care of covered utility line failures is easy!

As a Citizens Energy Group customer, you are eligible to receive utility line protection with UtilityShield. Once you are enrolled in UtilityShield, the program will manage covered repairs, provide a local contractor to perform repairs, and pay the contractor for service. It’s that simple!

How do I get protection?

Because you’re a valued customer, getting the protection you need is easy! Just select the plan that you want on the attached enrollment card and return in the postage-paid envelope provided. You will get your first month of protection free, and then the low monthly fee will be conveniently placed on your Citizens Energy Group bill.

Enroll today and join thousands of Citizens customers who have turned their expensive utility line repairs over to UtilityShield. But you must enroll by Friday, May 9, 2014 to receive your first month of protection free.

It’s simple to enroll, choose one of two easy options:

- **Phone:** Call toll-free at 1-888-544-6541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET).
- **Mail:** Sign and return the enrollment card in the postage-paid envelope.

Sincerely,

Greg Sawyer,
Director of Customer Relationships

P.S. - Don’t forget! Enroll by Friday, May 9, 2014 to receive your first month of protection for free.

UtilityShield is a product of The Manchester Group.

The Manchester Group is not a Citizens Energy Group company.

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To enroll, sign and return this enrollment card.

**Yes,** I want to protect myself from utility line repairs.

- [ ] Inside Gas Lines & Inside Electric Lines
- [ ] All Inside Lines
  - Gas, Electric, Water & Sewer
- [ ] Complete Protection
  - All Inside Lines + Outside Water & Sewer Lines

**First month free,** then $3.95 per month thereafter
**First month free,** then $7.50 per month thereafter
**First month free,** then $14.95 per month thereafter

If you do not have inside gas lines call us for protection options.

Home Phone #: [ ]

Signature: ____________________________

Promo Code: ____________________________

Send no payment now. Your low monthly fee will be added to your monthly Citizens Energy Group bill.
Q&A about UtilityShield

What is UtilityShield?
UtilityShield is a service agreement that provides repair or replacement service for a customer when a protected line fails or leaks due to normal wear and tear or inherent defects in material or craftsmanship. UtilityShield is a Manchester Group product made available to you by Citizens Energy Group.

Who is the Manchester Group?
The Manchester Group is part of IGS Energy – one of the largest privately held energy products and services companies in the country.

Why do I need UtilityShield?
You own your utility lines, and when they fail through normal use, the hassle and expense of repairs are your responsibility. UtilityShield takes care of the repair for you.

Doesn’t homeowner’s insurance cover the cost of repairs?
No, because utility lines typically fail through normal use, and this type of failure is not covered under homeowner’s insurance. In fact, a report by the National Association of Insurance Commissioners warned that most homeowners incorrectly assume broken utility lines are covered by their homeowners’ policies.

Are lines connecting my home to a well or septic line eligible for protection?
Yes. The single most direct line that connects your home to a private well or septic tank located on your property may be protected under UtilityShield.

Is there a fee to cancel?
No. There is no long-term commitment with UtilityShield. You may cancel the protection at any time – no questions asked.

What does Citizens do with revenue received from UtilityShield?
Citizens contributes all proceeds received from UtilityShield to the Warm Heart Warm Home Foundation. In 1994, Citizens Energy Group established the Warm Heart Warm Home Foundation™ to assist families and individuals who are faced with financial hardships. To date, UtilityShield has generated over $700,000 to assist families with paying their utility bills.

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Don’t wait until your utility lines fall, and it’s too late – enroll today!

Mail: Complete and return the enrollment card in the postage-paid envelope.

Phone: Call us at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET).

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Please make corrections here as needed.

Customer Name (Please Print): _____________________________
Street Address: ________________________________________
City: __________________________________________________
State/Zip: _____________________________________________

By enrolling, I understand that I am purchasing a service agreement and not an insurance policy. Also, I certify that there are no pre-existing conditions affecting my utility lines. Further, I understand and agree that lines with pre-existing conditions are not eligible for protection under UtilityShield. Prior removal of material from my sewer line is deemed a pre-existing condition.
Dear [name],

As your natural gas utility, Citizens Gas is responsible for the ownership and maintenance of the outside gas line that runs from the street to your natural gas meter. If you have problems with your outside natural gas line or suspect a leak, please call Citizens Gas for service at 317-924-3311.

Although we own the outside gas line, there are several other utility lines that you rely on to keep your home operating. Are you aware that you own these other utility lines? Most homeowners aren’t. It’s a fact that over time these hard working lines will fail due to normal use. Because you own these lines, you are responsible for the repairs when they fail, and the repairs can cost thousands of dollars.

In order to protect you from expensive utility line failures, Citizens Gas is proud to offer UtilityShield.

As a Citizens Gas customer, you are eligible to receive utility line protection with UtilityShield. Once you are enrolled in UtilityShield, the program will manage covered repairs, provide a local contractor to perform repairs, and pay the contractor for service. It’s that simple!

How do I get protection?

Because you are a valued Citizens Gas customer, getting the protection you need is easy! Just select the plan that you want on the attached enrollment card and return it in the postage-paid envelope provided. As a Citizens Gas customer, you will get your first month of protection free. Then, the low monthly fee will be conveniently placed on your Citizens Gas bill.

Enroll today and join thousands of Citizens Gas customers who have turned their expensive utility line repairs over to UtilityShield. But you must enroll by Friday, June 28, 2013 to receive your first month of protection for free.

It’s simple to enroll, choose one of two easy options:

Phone: Call toll-free at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET).

Mail: Sign and return the enrollment card in the postage-paid envelope.

Sincerely,

Michael Strohl,
Senior Vice President, Customer Relations

P.S. - Don’t forget! Enroll before Friday, Friday, June 28, 2013 to receive your first month of protection for free.

UtilityShield is a product of The Manchester Group. Citizens Gas is a member of Citizens Energy Group.
The Manchester Group is not a Citizens Energy Group company.

Yes, I want to protect myself from utility line repairs. Please check the plan you are enrolling in:

☐ Inside Gas Lines & Inside Electric Lines

☐ All Inside Lines

☐ Complete Protection

☐ First month free, then $1.85 per month thereafter

☐ First month free, then $3.50 per month thereafter

☐ First month free, then $14.95 per month thereafter

☐ Check here if your address is different than the address listed below. If necessary, please list your correct address on the back of this card.

Home Phone #:

Signature:

Promo Code:

Send no payment now. Your low monthly fee will be added to your monthly Citizens Gas bill.
Q&A about UtilityShield

What Is UtilityShield?
UtilityShield is a service agreement that provides repair or replacement service for a customer when a protected line fails or leaks due to normal wear and tear or inherent defects in material or craftsmanship. UtilityShield is a Manchester Group product made available to you by Citizens Gas.

Who is The Manchester Group?
The Manchester Group is part of IGS Energy – one of the largest privately held energy products and services companies in the country.

Why do I need UtilityShield?
You own your utility lines, and when they fail through normal use, the hassle and expense of repairs are your responsibility. UtilityShield takes care of the repair for you.

Doesn't homeowner's insurance cover the cost of repairs?
No, because utility lines typically fail through normal use, and this type of failure is not covered under homeowner's insurance. In fact, a report by the National Association of Insurance Commissioners warned that most homeowners incorrectly assume broken utility lines are covered by their homeowners' policies.

Are lines connecting my home to a well or septic line eligible for protection?
Yes. The single most direct line that connects your home to a private well or septic tank located on your property may be protected under UtilityShield.

Is there a fee to cancel?
No. There is no long-term commitment with UtilityShield. You may cancel the protection at any time – no questions asked.

What do I do if I need a repair?
Simply call your appropriate local utility to report a loss of service and then call the UtilityShield customer care center. UtilityShield will have a qualified contractor contact you — usually within 12 hours — to schedule repairs provided under UtilityShield.

How will I obtain the service agreement?
After your enrollment request is processed, you will be mailed a UtilityShield service agreement. Your enrollment date will be the date your enrollment request is processed. Your effective date (when protection under UtilityShield begins) is 15 days after your enrollment date. You have a 30 day “free-look period” from your enrollment date to review the service agreement. If you cancel during the “free-look” period, you will owe nothing and will not be eligible for service under UtilityShield. Any service provided under UtilityShield will be administered according to the service agreement. If you would like to review the service agreement prior to enrolling, you can view a copy online through the Citizens Gas website or request a copy by calling 1-888-544-4541. To review a copy of the service agreement online, please visit www.citizensgas.com and select UtilityShield under the Energy tab located at the top left side of your browser window.

Important: If you suspect a natural gas line leak, you must first get yourself and others out of the house and stay a safe distance away. Do not operate electrical equipment or your phone inside your home. Call Citizens Gas at 1-317-924-3311 to report your emergency. Once Citizens Gas has determined your home is safe to reenter, call UtilityShield to report your claim at 1-800-581-8604.

Don't wait until your utility lines fail, and it's too late — enroll today!

Mail: Complete and return the enrollment card in the postage-paid envelope.

Phone: Call us at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET).

Please make corrections here as needed.

Customer Name (Please Print): ____________________________

Street Address: _______________________________________

City: ____________________________

State/Zip: _______________________

By enrolling, I understand that I am purchasing a service agreement and not an insurance policy. Also, I certify that there are no pre-existing conditions affecting my utility lines. Further, I understand and agree that lines with pre-existing conditions are not eligible for protection under UtilityShield. Prior removal of material from my sewer line is deemed a pre-existing condition.
Here are some facts about your home you should know:

Homeowners mistakenly think utility line breaks and failures are covered under their standard homeowners' policies.

Specialized associations of Insurance Commissioners survey results

Research shows you are 30 times more likely to pay for a utility line repair than file an insurance claim for a home fire.

National Fire Protection Association, Research & Analysis

You have homeowners' insurance to protect yourself from a fire. You need specialized insurance to protect yourself from a utility line failure.

UtilityShield offers specialized utility line protection plans to provide repair or replacement services for utility lines, breakers, or transformers that are damaged or stolen.

You'll receive protection only for the utilities lines which you have enrolled, and only if a plan has been filed according to the service agreement. UtilityShield's insurance programs are specifically designed for homeowner's needs and are entirely different from traditional homeowner's insurance.

Eligibility

You must own and be responsible for the single family dwelling, planned unit development, condominium, or town home, to which the property lines are attached. Further, you must be responsible for the upkeep of all the protected lines.

Your Representation

By enrolling in UtilityShield, you represent that all lines to be protected by the program you have enrolled at the points agreed to in the contract and according to the terms of the contract, are necessary in the public utility's system. Specifically, the above items are to be taken care of the maintenance and operation of the lines you have enrolled.

Other Important Information

Your enrollment is not a contract and you may cancel at any time, with a pro rata refund of any unexecuted portion of the enrollment. Your coverage may be extended to all members of your household as long as they are residents of your household and have enrolled in the program.

Benefits of UtilityShield

A 30-day free trial period is available for you to try the program out and determine if it's right for you. If you decide to continue the service, you'll be charged the monthly fee.

Exclusive Protection for Citizens Gas Customers

- Inside Gas Lines & Inside Electric Lines
- All Inside Lines, Gas, Electric, Water & Sewer
- Complete Protection All Inside Lines & Outside Water & Sewer Lines

First month free, then $14.95 per month thereafter.

Phone: 1-888-544-4541

UtilityShield Protection for over 20 years and still pay less than a single utility line failure.

Try it for free

UtilityShield is the low-cost, no-hassle way to protect yourself from expensive utility line failures.

Enroll Today

Visit www.citizensgas.com
UtilityShield
Service and repairs made easy.

At Citizens Energy Group, our goal is to provide customers with superior customer service. Many of our customers have chosen to protect themselves from expensive utility line repairs with UtilityShield, and now we are pleased to announce that you can protect yourself from expensive heating, cooling and water heater system repairs too. To protect these vital systems and protect you from expensive repair bills, we are proud to announce the UtilityShield HVAC System Protection Plans.

Special savings just for you!

Since you have complete protection on your utility lines with UtilityShield, you qualify for huge savings on a UtilityShield HVAC System Protection Plan. By adding the Bundled System Protection Plan option to your current UtilityShield Protection Plan, your home will have the best protection for the best value—saving you over $100 per year.

Did you know that a heating, cooling or water heater repair can cost you $500 or more?

It's a fact that these hard-working systems will fail at some point due to normal use. With UtilityShield, taking care of covered system failures is easy! Enroll in the Bundled Protection Plan, and UtilityShield will manage the covered repair, provide a qualified local contractor to perform the repairs, and pay the contractor for service. It's that simple!

How do I add the HVAC System Protection Plans?

We've made it quick and simple—just select the plan that's best for you on the attached enrollment card. And, as a current Citizens Energy Group UtilityShield customer, when you add the Bundled System Protection Plan to your current plan, you will save over $100 per year!

Enroll today to expand your protection! Ensure that your hard-working systems and water heater are protected. The low monthly fee will be conveniently placed on your Citizens Energy Group bill.

Choose one of two easy options to enroll:

Phone: Call toll-free at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET)
Mail: Return the enrollment card in the postage-paid envelope.

Whether you have a furnace, boiler, central air conditioning unit, heat pump, or water heater, rest assured that UtilityShield has the protection you need for the hard-working systems of your home. Let UtilityShield take care of the repairs and cover the costs. But you must enroll by Friday, August 30, 2013 to start your protection.

Sincerely,

Michael Stohl
Senior Vice President, Customer Relationships and Corporate Affairs

UtilityShield is a product of The Manchester Group.
The Manchester Group is not a Citizens Energy Group company.

Return this enrollment card to start protection.

Yes, I want to protect myself from costly utility system failures.

Please check the plan you are enrolling in:

<table>
<thead>
<tr>
<th>System Protection</th>
<th>Monthly Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furnace</td>
<td>$9.95</td>
</tr>
<tr>
<td>Boiler</td>
<td>$9.95</td>
</tr>
<tr>
<td>Central Air Conditioner</td>
<td>$9.95</td>
</tr>
<tr>
<td>Water Heater</td>
<td>$9.95</td>
</tr>
</tbody>
</table>

Bundled System Protection Save over $100.00/yr!

<table>
<thead>
<tr>
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<td>$14.00</td>
</tr>
<tr>
<td>Water Heater</td>
<td>$14.00</td>
</tr>
</tbody>
</table>

Home Phone #: [cell phone number]

Promo Code:

Check here if your address is different from the address listed below. If necessary, please list your correct address on the back of this card.

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The Manchester Group is part of IGS Energy — one of the largest privately held energy products and services companies in the country.

Why do I need UtilityShield?
You own your utility lines, water heater, and HVAC system, and when they fail through normal use, the hassle and expense of repairs are your responsibility. UtilityShield protection takes care of the repair for you.

Doesn't homeowner's insurance cover the cost of repairs?
Homeowners insurance typically does not cover the cost of repairs because utility line, HVAC systems, and water heaters typically fail through normal use, and this type of failure is not covered under homeowner's insurance. In fact, a report by the National Association of Insurance Commissioners warned that most homeowners incorrectly assume these types of repairs are covered by their homeowners' policies.

Is there a fee to cancel?
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What do I do if I need a repair?
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Citizens contributes all proceeds received from UtilityShield to the Warm Heart Warm Home Foundation. In 1994, Citizens Energy Group established the Warm Heart Warm Home Foundation to assist families and individuals who are faced with financial hardships. To date, UtilityShield has generated over $525,000 to assist families with paying their utility bills.

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Don't wait until your systems fail, and it's too late — enroll today!

M: Complete and return the enrollment card in the postage-paid envelope.

Phone: Call us at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET).

Please make corrections here as needed.

Customer Name (Please Print): ___________________

Street Address: _________________________________

City: _______________________________________________________________________

State/Zip: ___________________________________________________________________

By enrolling, I understand that I am purchasing a service agreement and not an insurance policy. Also, I certify that there are no pre-existing conditions affecting my utility lines or systems. Further, I understand and agree that lines or systems with pre-existing conditions are not eligible for protection under UtilityShield.
At Citizens Energy Group, our goal is to provide customers with superior customer service. Many of our customers have chosen to protect themselves from expensive utility line repairs with UtilityShield, and now we are pleased to announce that you can protect yourself from expensive heating, cooling, and water heater system repairs too. To protect these vital systems and prevent you from expensive repair bills, we are proud to announce the UtilityShield HVAC System Protection Plans.

Since you already have UtilityShield protection on one or more of your utility lines, we wanted you to be the first to know that we now offer the same great protection for your heating, cooling and water heater systems.

Did you know that a heating, cooling or water heater repair can cost you $500 or more?

It's a fact that these hard-working systems will fail at some point due to normal use. With UtilityShield, taking care of covered system failures is easy. Enroll in the Bundled System Protection Plan, and UtilityShield will manage the covered repairs, provide a qualified local contractor to perform repairs, and pay the contractor for service. It's that simple!

How do I add the HVAC System Protection Plans?

We've made it quick and simple - just select the plan that's best for you on the attached enrollment card. Take advantage of adding the Bundled Protection Plan to your UtilityShield Protection Plan today and save over $35 per year!

Enroll today to expand your protection! Ensure that your hard working systems and water heater are protected. The low monthly fee will be conveniently placed on your Citizens Energy Group bill.

Choose one of two easy options to enroll:

- **Phone**: Call toll-free at 1-888-544-4341, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET)
- **Mail**: Return the enrollment card in the postage-paid envelope.

Whether you have a furnace, boiler, central air conditioning unit, heat pump, or water heater; rest assured that UtilityShield has the protection you need for the hard-working systems of your home. Let UtilityShield take care of the repairs and cover the costs. But you must enroll by Friday, August 30, 2013 to start your protection.

Sincerely,

[Signature]

Michael Strohl
Senior Vice President, Customer Relationships and Corporate Affairs

UtilityShield is a product of The Manchester Group. The Manchester Group is not a Citizens Energy Group company.

---

**Yes, I want to protect myself from costly utility system failures.**

Please check the plan you are enrolling in:

<table>
<thead>
<tr>
<th>System Protection</th>
<th>Monthly Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furnace</td>
<td>$9.95</td>
</tr>
<tr>
<td>Boiler</td>
<td>$9.95</td>
</tr>
<tr>
<td>Central Air Conditioner</td>
<td>$9.95</td>
</tr>
<tr>
<td>Heat Pump</td>
<td>$18.95</td>
</tr>
<tr>
<td>Water Heater</td>
<td>$3.95</td>
</tr>
</tbody>
</table>

**Bundled System Protection save over $35.00/yr**

<table>
<thead>
<tr>
<th>Bundle</th>
<th>Monthly Price</th>
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<tr>
<td>Furnace &amp; Central Air Conditioner</td>
<td>$19.95</td>
</tr>
<tr>
<td>Boiler &amp; Central Air Conditioner &amp; Water Heater</td>
<td>$19.95</td>
</tr>
<tr>
<td>Heat Pump &amp; Water Heater</td>
<td>$19.95</td>
</tr>
</tbody>
</table>

Send no payment now. Your low monthly fee will be added to your monthly Citizens Energy Group bill.
Q&A about UtilityShield

What is UtilityShield?
UtilityShield is a service agreement that provides repair or replacement service for a customer when a protected line, water heater, or HVAC system fails or leaks due to normal wear and tear or inherent defects in material or craftsmanship. UtilityShield is a Manchester Group product made available to you by Citizens Energy Group.

Who is The Manchester Group?
The Manchester Group is part of IGS Energy — one of the largest privately held energy products and services companies in the country.

Why do I need UtilityShield?
You own your utility lines, water heater, and HVAC system, and when they fail through normal use, the hassle and expense of repairs are your responsibility. UtilityShield protection takes care of the repair for you.

Doesn’t homeowner’s insurance cover the cost of repairs?
Homeowners insurance typically does not cover the cost of repairs because utility line, HVAC systems, and water heaters typically fail through normal use, and this type of failure is not covered under homeowners insurance. In fact, a report by the National Association of Insurance Commissioners warned that most homeowners incorrectly assume these types of repairs are covered by their homeowners’ policies.

Is there a fee to cancel?
No. There is no long-term commitment with UtilityShield. You may cancel the protection at any time — no questions asked.

What do I do if I need a repair?
Simply call your appropriate local utility to report a loss of service and then call the UtilityShield customer care center. UtilityShield will have a qualified contractor contact you — usually within 12 hours — to schedule repairs provided under UtilityShield.

What does Citizens do with revenue received from UtilityShield?
Citizens contributes all proceeds received from UtilityShield to the Warm Heart Warm Home Foundation. In 1994, Citizens Energy Group established the Warm Heart Warm Home Foundation™ to assist families and individuals who are facing financial hardships. To date, UtilityShield has generated over $525,000 to assist families with paying their utility bills.

How will I obtain the service agreement?
After your enrollment request is processed, you will be mailed a UtilityShield service agreement. Your enrollment date will be the date your enrollment request is processed. Your effective date (when protection under UtilityShield begins) is 15 days after your enrollment date. You have a 30 day “free-look period” from your enrollment date to review the service agreement. If you cancel during the “free-look period,” you will owe nothing and will not be eligible for service under UtilityShield. Any service provided under UtilityShield will be administered according to the service agreement. If you would like to review the service agreement prior to requesting enrollment, you can view a copy online through the Citizens Energy Group website or request a copy by calling 1-888-544-4541. To review a copy of the service agreement online, please visit www.citizensenergygroup.com and select UtilityShield under the Energy tab located at the top left side of your browser window.

Important: If you suspect a natural gas line leak, you must first get yourself and others out of the house and stay a safe distance away. Do not operate electrical equipment or your phone inside your home. Call Citizens Energy Group at 1-317-924-3311 to report your emergency. Once Citizens Energy Group has determined your home is safe to reenter, call UtilityShield to report your claim at 1-888-581-8604.

Don’t wait until your systems fail, and it’s too late — enroll today!

-Mail: Complete and return the enrollment card in the postage-paid envelope.

-Phone: Call us at 1-888-544-4541, Monday - Friday, 8:00 a.m. - 6:00 p.m. (ET).

Please make corrections here as needed.

Customer Name (Please Print): ____________________

Street Address: __________________________________________

City: __________________________________________________

State/Zip: _______________________________________________

By enrolling, I understand that I am purchasing a service agreement and not an insurance policy. Also, I certify that there are no pre-existing conditions affecting my utility lines or systems. Further, I understand and agree that lines or systems with pre-existing conditions are not eligible for protection under UtilityShield.
DATA REQUEST NO. 4: In its DATA REQUEST Question NO. 11.6, the OUCC asked Citizens if Utility Shield is regulated by the Department of Insurance. Citizens objected to this request to the extent it seeks a legal opinion and added that it is Citizens' understanding that the Manchester Group operates under an agreement with the Indiana Department of Insurance regarding the Utility Shield product but is not regulated by the Department per se. What is the basis of the understanding? Please provide any documents on which the understanding is based. Please provide a copy of the agreement with the department of insurance?

RESPONSE:
The basis for Citizens' understanding is pursuant to discussions with Bill Thomas, President of the Manchester Group and Citizens' review of the information exchange between the Manchester Group and the Indiana Department of Insurance. The Fourth Memorandum of Understanding dated November 2012, a correspondence dated November 2013 between the Manchester Group and the General Counsel of the Indiana Department of Insurance, and the Notice of Operations dated November 2013 are all attached as OUCC DR 2.4.1, OUCC DR 2.4.2 and OUCC DR DR 2.4.3, respectively.

WITNESS:
Michael D. Strohl
FOURTH MEMORANDUM OF UNDERSTANDING

This Fourth Memorandum of Understanding ("Fourth MOU") is entered into on this 8th day of October 2012, by and between the Indiana Department of Insurance ("IDOI") and The Manchester Group, I.I.C. ("MG"). This Fourth MOU will expire November 30, 2013.

WHEREAS, the Commissioner of the IDOI (the "Commissioner") is in charge of the organization, supervision, regulation, examination, rehabilitation, liquidation, and/or conservation of all insurance companies in Indiana;

WHEREAS, MG offers service contracts (the "Service Contracts") which pay for repairs to residential utility lines, HVAC systems, and water heaters that fail due to ordinary wear and tear;

WHEREAS, service contracts fall within Indiana's definition of insurance;

WHEREAS, the IDOI has allowed certain service contracts to be exempted from regulation as insurance if they are backed by a reimbursement insurance policy;

WHEREAS, the IDOI and MG entered into a Memorandum of Understanding dated April 24, 2009 (the "First MOU"), and a Second Memorandum of Understanding dated November 19, 2010 (the "Second MOU"), and a Third Memorandum of Understanding in 2011, under which MG used a surety bond in lieu of a reimbursement insurance policy to back the Service Contracts;

WHEREAS, MG fully performed all of its obligations under the First MOU, the Second MOU, and the Third MOU, and continued the surety bond through the date of this Fourth Memorandum; and

WHEREAS, the IDOI acknowledged and accepted MG's uninterrupted compliance with the terms and conditions of the First MOU, the Second MOU, and the Third MOU, and the IDOI
has agreed to allow MG to continue its use of a surety bond under this Fourth Memorandum in lieu of a reimbursement insurance policy to back the Service Contracts;

   THEREFORE, the parties agree as follows:

1) MG will back its obligation to pay for repairs under the Service Contracts with a surety bond having a value of not less than five percent (5%) of gross consideration received, less claims paid, on the sale of all Service Contracts issued and in force in Indiana, but not less than $25,000.

2) Each Service Contract issued in Indiana shall contain a statement in substantially the following form:

   Obligations of the provider under this service contract are backed only by the full faith and credit of the provider and are not guaranteed under a service contract reimbursement insurance policy.

   A claim against the provider shall also include a claim for return of the unearned provider fee.

3) Each Service Contract issued will identify the name, address, and telephone number of the party issuing the Service Contract.

4) MG will not issue, sell, or offer the Service Contracts in Indiana unless it has:

   1. Provided a receipt for the purchase of the service contract to the contract holder; and
   2. Provided a copy of the service contract to the service contract holder within a reasonable period of time from the date of purchase.

5) MG will maintain a funded reserve account for its obligations under its contracts issued and outstanding in Indiana. The reserves shall not be less than forty percent (40%) of gross consideration received, less claims paid, on the sale of the service contract for all in-force contracts in Indiana. The reserve account shall be subject to examination and review by the Commissioner.
6) The Service Contracts shall be written in clear, understandable language, and the entire contract shall be printed or typed in easy to read ten point type or larger and conspicuously disclose the requirements of this Fourth MOU.

7) By agreement in writing of the IDOI and MG, this Fourth MOU may be renewed for terms of one year each on or before each succeeding November 30.

INDIANA DEPARTMENT OF INSURANCE               THB MANCHESTER GROUP, LLC

Stephen W. Robertson, Commissioner               William Thomas, President
November 20, 2013

Indiana Department of Insurance
Attn: Tina Korty, General Counsel
311 West Washington Street, Suite 300
Indianapolis, IN 46204

Re: The Manchester Group, LLC

Dear Ms. Korty:

As you may or may not recall, The Manchester Group, LLC (“Manchester”) sells protection plans that cover residential gas lines, electric lines, sewer lines and water lines. It also sells protection plans that cover residential HVAC systems. Manchester operates in multiple states, and currently has thousands of customers in the State of Indiana.

In 2009, after Manchester determined it was not subject to the regulatory jurisdiction of the Indiana Department of Insurance (the “IDOI”), and that its warranty products were not subject to the filing requirements of the Indiana Insurance Code, it nonetheless approached the IDOI to discuss the fact that it intended to begin marketing those products in the State of Indiana. Manchester wanted to have a discussion with the IDOI because it respects and shares the IDOI’s interest in protecting the citizens of Indiana, and also because it wanted to be able to assure its customers that they were operating responsibly.

After discussions with the IDOI, Manchester agreed to enter into a Memorandum of Understanding ("MOU"), setting forth the terms and conditions under which Manchester would conduct business in the State of Indiana. The IDOI signed off on the MOU, and it was renewed in 2010, 2011, and 2012. The 2012 renewal, however, met with considerable resistance by the IDOI. The resistance, to the best of our knowledge, stemmed from the IDOI’s articulated position that, since it had no jurisdiction over Manchester or its products, it technically had no authority to enter into or enforce the terms of the MOU—a legitimate concern.

Therefore, because Manchester would like to continue providing the IDOI with the assurance that it continues to operate responsibly in the State of Indiana, Manchester submits the enclosed Notice of Operations, setting forth its commitment to continue operating under the terms and conditions previously agreed to by Manchester and the IDOI. The Notice of Operations enclosed replaces the MOU, and does not require signature from the IDOI.

Should the IDOI have any questions regarding the Notice of Operations, or should the IDOI wish to further discuss Manchester’s operations or products, please feel free to contact me at (614) 659-5960. Thank you for your attention to this matter, and for your Department’s service to the consumers of the State of Indiana.

Very truly yours,

William Thomas
President, The Manchester Group, LLC
NOTICE OF OPERATIONS

WHEREAS, The Manchester Group, LLC ("Manchester") offers warranty contracts in the State of Indiana, which pay for repairs to residential utility lines, HVAC systems, and water heaters that fail due to ordinary wear and tear.

WHEREAS, though Manchester is not subject to regulation by the DOI, or to the filing requirements of the Indiana Insurance Code, Manchester voluntarily entered into a Memorandum of Understanding ("MOUs") in April of 2009, that was renewed in November of 2010, November of 2011, and November of 2012, for the purpose of providing the Indiana Department of Insurance (the "DOI") with the assurance that Manchester was operating responsibly by setting forth terms and conditions under which Manchester would conduct business in the State of Indiana;

WHEREAS, Manchester would like to provide the DOI with the assurance that it is continuing to operate responsibly in the State of Indiana;

THEREFORE, on this 20th day of November, 2013, Manchester provides this Notice of Operations, stating that Manchester is continuing to operate in compliance with the previously agreed to terms and conditions as follows:

A. Manchester will back its obligations to pay for repairs with a surety bond having a value of not less than five percent (5%) of the gross consideration received, less claims paid, on the sale of all service contracts issued and in force in Indiana, but not less than $150,000;

B. Each service contract issued by Manchester in the State of Indiana shall contain a statement in substantially the following form:

Obligations of the provider under this service contract are backed only by the full faith and credit of the provider and are not guaranteed under a service contract reimbursement insurance policy. A claim against the provider shall also include a claim for return of the unearned provider fee.

C. Each service contract issued will identify the name, address, and telephone number of the party issuing the service contract.

D. Manchester will not issue, sell, or offer the service contracts in the State of Indiana unless it has:

1 Should the DOI take the position that Manchester is subject to the filing requirements of the Indiana Insurance Code, or to regulation in general by the DOI, Manchester would appreciate the opportunity to discuss that matter with the DOI, so that Manchester can continue to operate in full compliance of all of the laws and regulations in the State of Indiana.
1. Provided a receipt for the purchase of the service contract to the contract holder; and

2. Provided a copy of the service contract to the service contract holder within a reasonable period of time from the date of purchase.

E. Manchester will maintain a funded reserve account for its obligations under its contracts issued and outstanding in the State of Indiana. The reserves shall not be less than forty percent (40%) of gross consideration received, less claims paid, on the sale of the service contract for all in-force contracts in the State of Indiana. The reserve account shall be subject to examination and review by the Commissioner should the Commissioner so choose.

F. The service contracts shall be written in clear, understandable language, and the entire contract shall be printed or typed in easy to read ten point type or larger and conspicuously disclose the requirements of this Notice of Ongoing Compliance.

Respectfully submitted,

THE MANCHESTER GROUP, LLC
By: William Thomas, President
DATA REQUESTS

DATA REQUEST NO. 1: On page 9 of his testimony, Mr. Lykins states that “Inside Marion County, ... we have the duty of a trustee to confer benefit on the inhabitants of the county.” Please state the source document or law that imposes this duty on the trust.

OBJECTION:
In addition to any applicable general objections set forth above, including but not limited to general objection nos. 3, 4, 5, 6, 8, 9, 10, Respondents object to this request on the following grounds. In the jurisdictional section of its March 19 Order in this Cause, the Commission cites Indiana Code Sections 8-1-2-68 and 8-1-2-69 as the basis for its investigative authority and the commencement of this proceeding. Section 68 addresses investigations of rates and charges, and Section 69 addresses investigations of service related issues. Neither section addresses investigations related to certain issues introduced by the OUCC in this Cause. Respondents’ submission of testimony responding to certain questions included in the Commission’s final issues list addressing issues introduced by the OUCC in this proceeding should not be construed as a waiver by or agreement of Respondents consenting to any further attempts by the OUCC to expand and unduly broaden the scope of this proceeding. Additionally, Respondents object to the extent the request seeks a legal conclusion. Subject to and without waiving the foregoing objections, Respondents respond as follows.

RESPONSE:
As the remainder of the answer cited above makes clear, the “energy utility assets and the water utility assets are subject to separate public charitable trust relationships – one to provide ‘light, heat and power’ and the other to provide ‘water services,’ at a reasonable cost to the inhabitants of the City of Indianapolis.” Resp. Exh. CBL at page 10, lines 3 – 6. Additionally, the “Authority holds the wastewater utility assets subject to a public charitable trust relationship that operates in the same manner as the energy and water utility trust assets.” Id. at lines 21 – 23.

While not an attorney, the responding witness is advised by counsel and is generally aware that the following are the source documents or law that imposed a duty on the Board and the Authority to confer benefit on the inhabitants of the City of Indianapolis.

With respect to the public charitable trust for the Water System, the Asset Purchase Agreement dated as of August 11, 2010 by and among the City of Indianapolis and the Department of Waterworks of the City of Indianapolis, Acting by and through the Board of Waterworks, as Sellers, and the Department of Public Utilities for the City of Indianapolis, Acting by and through the Board of Directors for Utilities, as Trustee, in Furtherance of the Public Charitable Trust for the Water System, as Purchaser (“Citizens Water”) (the “Water APA”), Section 8.08, provides that Citizens Water will hold and
operate the Water System for the benefit of inhabitants of the City of Indianapolis in furtherance of the public charitable trust for the Water System.

With respect to the public charitable trust for the Wastewater System, the Asset Purchase Agreement dated as of August 11, 2010 by and among the City of Indianapolis and the Sanitary District of the City of Indianapolis, Acting by and through the Board of Public Works, as Sellers, and the Department of Public Utilities for the City of Indianapolis, Acting by and through the Board of Directors for Utilities, as Trustee, in Furtherance of the Public Charitable Trust for the Wastewater System, and CWA Authority, Inc., as Purchaser (the "Wastewater APA"), Section 8.07, provides that the Authority will hold and operate the Wastewater System for the benefit of the inhabitants of the City of Indianapolis in furtherance of the public charitable trust for the Wastewater System.

With respect to the public charitable trust for provision of light, heat and power (or what we have referred to as the "Energy Trust"), the decision in Todd v. Citizens' Gas Co. of Indianapolis, 46 F.2d 835 (7th Cir., 1931) (the "Todd case") established that the gas system property originally acquired in 1935 by the Board, acting for and on behalf of the City of Indianapolis, and in accordance with the Board's exclusive government, management, regulation and control thereof under what is now Indiana Code 8-1-11.1-3, was acquired as successor trustee of and subject to a public charitable trust, to be held and operated for the benefit of inhabitants of the City of Indianapolis in furtherance of the Energy Trust.

WITNESS (RESPONSE ONLY):
Carey B. Lykins
DATA REQUEST NO. 2: Please provide all directives or policies approved by the Board of Trustees that guide employees of Citizens Energy Group or CWA Authority, Inc. with respect to their duties to the beneficiaries of the trust.

OBJECTION:
In addition to any applicable general objections set forth above, including but not limited to general objection nos. 8 and 9, Respondents specifically object to the use of the term "all" as overly broad and unduly burdensome. See also objection to Data Request No. 1.
DATA REQUEST NO. 3: Please provide any publication by Citizens Energy Group that explains to beneficiaries of the trust Citizens' obligations to its beneficiaries pursuant to the trust.

OBJECTION:
In addition to any applicable general objections set forth above, including but not limited to general objection nos. 8 and 9, Respondents specifically object to the use of the term "any" as overly broad and unduly burdensome. See also objection to Data Request No. 1.
Subject to and without waiving the foregoing objections, Respondents respond as follows.

RESPONSE:
Respondents state that there are numerous publications that have been published explaining the Board’s and the Authority’s obligations as trustees of the public charitable trusts, including but not limited to testimony filed in numerous Commission proceedings, information published on the Citizens Energy Group web site and various reports published and made available to the public periodically.

WITNESS (RESPONSE ONLY):
Carey B. Lykins
DATA REQUEST NO. 4: Please identify or describe the beneficial owners of the trusts’ property.

OBJECTION:
Respondents object to this question on the following grounds. In the jurisdictional section of its March 19 Order in this Cause, the Commission cites Indiana Code Sections 8-1-2-68 and 8-1-2-69 as the basis for its investigative authority and the commencement of this proceeding. Section 68 addresses investigations of rates and charges, and Section 69 addresses investigations of service related issues. Neither section addresses investigations related to certain issues introduced by the OUCC in this Cause. Respondents’ submission of testimony responding to certain questions included in the Commission’s final issues list addressing issues introduced by the OUCC into this proceeding should not be construed as a waiver by or agreement of Respondents consenting to any further attempts by the OUCC to expand and unduly broaden the scope of this proceeding. Additionally, Respondents object to the extent the request calls for a legal conclusion. Subject to and without waiving the foregoing objections, Respondents state as follows. Title to the energy utilities’ and water utility’s property is owned by the Board and is subject to the public charitable trusts for the energy systems and the water system, respectively. Title to the wastewater utility’s property is owned by the Authority and is subject to the public charitable trust for the wastewater system. Beneficiaries of each of the respective public charitable trusts are the inhabitants of the City of Indianapolis.
DATA REQUEST NO. 5: Where may a beneficiary of the trust access an accurate statement or explanation by Citizens Energy Group (CEG) as to CEG’s obligation to beneficiaries under the trust?

OBJECTION:
See objections to Data Request Nos. 1 and 3 above. Subject to and without waiving the foregoing objections, Respondents respond as follows.

RESPONSE:
See response to Data Request No. 3 above.

WITNESS (RESPONSE ONLY):
Carey B. Lykins
DATA REQUEST NO. 6: Does CEG acknowledge that beneficiaries of the trust have an interest in how proceeds derived from trust owned property are spent? Please explain.

OBJECTION:
Respondents object to this question on the following grounds. In the jurisdictional section of its March 19 Order in this Cause, the Commission cites Indiana Code Sections 8-1-2-68 and 8-1-2-69 as the basis for its investigative authority and the commencement of this proceeding. Section 68 addresses investigations of rates and charges, and Section 69 addresses investigations of service related issues. Neither section addresses investigations related to certain issues introduced by the OUCC in this Cause. Respondents’ submission of testimony responding to certain questions included in the Commission’s final issues list addressing issues introduced by the OUCC into this proceeding should not be construed as a waiver by or agreement of Respondents consenting to any further attempts by the OUCC to expand and unduly broaden the scope of this proceeding. Additionally, Respondents object to the extent the request calls for a legal conclusion. Subject to and without waiving the foregoing objections, Respondents acknowledge that the beneficiaries of the public charitable trusts have the interest accorded to them under applicable Indiana law.
DATA REQUEST NO. 7: Mr. Lykins indicates Citizens and CWA are obligated to manage and operate their assets “for the benefit of the inhabitants of Marion County, free from the influences of partisan political control or private interests.” (p. 11 of 16)

   a. Please explain how Citizens Energy Group is free from both of these influences.

   b. Please describe what influences do apply to the management and operation of those assets.

   c. Please describe all external mechanisms and external controls in place that will prevent the overleveraging of CEG’s trust assets?

OBJECTION:
In addition to any applicable general objections set forth above, including but not limited to general objection nos. 3, 4, 5, 6, 8 and 10, Respondents object to this request on the following grounds. In the jurisdictional section of its March 19 Order in this Cause, the Commission cites Indiana Code Sections 8-1-2-68 and 8-1-2-69 as the basis for its investigative authority and the commencement of this proceeding. Section 68 addresses investigations of rates and charges, and Section 69 addresses investigations of service related issues. Neither section addresses investigations related to certain issues introduced by the OUCC in this Cause. Respondents’ submission of testimony responding to certain questions included in the Commission’s final issues list addressing issues introduced by the OUCC into this proceeding should not be construed as a waiver by or agreement of Respondents consenting to any further attempts by the OUCC to expand and unduly broaden the scope of this proceeding. Respondents further object on the grounds that the request is vague, ambiguous and argumentative. Subject to and without waiving the foregoing objections, Respondents respond as follows.

RESPONSE:
   a. See applicable provisions of Water APA (Sections 8.08 and 8.09), Wastewater APA (Sections 8.07 and 8.08) and the Todd case discussed in the response to Data Request No. 1 above. Also, see Indiana Code 8-1-11.1-1, et seq., with respect to the nature, creation and selection of the Board of Trustees and Board of Directors, as well as the Board’s exclusive government, management, regulation, and control of the systems and its duties, powers and authority in connection therewith.

   b. See objections above.

   c. See objections above.

WITNESS (RESPONSE TO PART (A) ONLY):
Carey B. Lykins
DATA REQUEST NO. 8: Please provide a copy of the most recent assessment in the Baldridge Program.

RESPONSE: Please see document attached and identified as OUCC DR - 3.8.

WITNESS: Carey B. Lykins
Feedback Report

Citizens Energy Group

June 14, 2013
Preparing to read your Feedback Report . . .

This feedback report contains TPE Examiners’ observations based on their understanding of your organization. The examiner team has provided comments on your organization’s strengths and opportunities for improvement relative to the Malcolm Baldrige Criteria for Performance Excellence. It will tell you where the Examiners think your organization has important strengths to leverage and where they think key opportunities for improvement exist. The feedback is not intended to be prescriptive. The report will not necessarily cover every requirement of the Criteria nor will it say specifically how you should address the opportunities. You will decide what is most important to the organization and how best to respond.

Key Themes, which serves as an overview or executive summary of the entire report, is comprised of four sections: (a) Process Item strengths, (b) Process Item opportunities for improvement, (c) Results Item strengths, and (d) Results Item opportunities for improvement.

Applicant organizations understand and respond to feedback comments (both strengths and opportunities for improvement) in different ways. To make the feedback most useful to you, we’ve gathered some tips and practices from “prior applicants” listed below for you to consider.

• “You applied to TPE to get non-biased, third-party feedback to improve your organization. Take time to read the report, digest it, and then read it again.”

• “You know your organization better than the Examiners know it. Not all comments will appear equally relevant or important to you. If Examiners have misread your application or misunderstood information shared with them on a particular point, don’t discount the whole feedback report. Consider the other comments and focus on the most important ones.”

• “Especially note comments in boldface type. These comments indicate observations that the Examiner Team found particularly important — strengths or opportunities for improvement that the team felt had substantial impact on your organization’s performance practices, capabilities, and/or results, and, therefore, had more influence on the team’s scoring of that particular item.”

• “Celebrate your strengths and build on them to achieve world-class performance and a competitive advantage. You’ve worked hard and should congratulate yourselves.”

• “Use your strength comments as a foundation to improve the things you do well. Share those strengths with the entire organization in order to speed cycles of learning among employees. Continue to evaluate and improve those things you do best.”

• “Prioritize your opportunities for improvement. You can’t — and shouldn’t — try to do everything all at once. Think about what’s most important for your organization at this time and decide where you can get the most “bang for your buck.” Work on these opportunities first.”

• “You may decide to address all, some, or none of the opportunities for improvement in a particular item. It depends on how important you think that item or comment is to your organization.”

• “Use the feedback as input to your strategic planning process. Focus on the strengths and opportunities for improvement that have an impact on your strategic goals and objectives.”
CONGRATULATIONS! By submitting The Partnership for Excellence (TPE) application, your organization has differentiated itself from most other organizations. The Board of Examiners has evaluated your application for an Award for Excellence. Strict confidentiality was observed at all times and in every aspect of the application review and feedback.

This feedback report contains the Examiners' findings, including a summary of Key Themes of the evaluation, a detailed listing of strengths and opportunities for improvement by each Item of the Baldrige Criteria, and scoring information. Background information on the examination process is provided below.

APPLICATION REVIEW

Stage 1, Independent Review

The application evaluation process begins with a Stage 1 Independent Review. TPE assigns six to eight members of the Board of Examiners to each application. Assignments are made according to the Examiners' areas of expertise and to avoid potential conflicts of interest. Each Examiner notes key factors as they relate to the organization's profile, independently evaluates the application, writes observations relating to the applicant's strengths and opportunities for improvement, and suggests a score based on the Criteria for Performance Excellence scoring system (pages 68-69 of the 2011-12 Criteria for Performance Excellence booklet). All applications in all sectors (government, business, education, health care, and nonprofit) receive a Stage 1 Independent Review evaluation.

Stage 2, Consensus Review

All applications proceed to the Stage 2 Consensus Review. The team of six to eight Examiners, led by a Team Leader, conducts a series of conference calls and/or face-to-face meetings reviewing all the Examiner observations. Their goal is to reach consensus on feedback comments that capture the team's collective view of the applicant's strengths and opportunities for improvement. In addition, the team assigns a numerical score for each Item and identifies any outstanding issues that the team will need to clarify and/or verify during Stage 3, Site Visit. The team documents comments, scores, and site visit issues in a Consensus Scorebook.

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
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</thead>
<tbody>
<tr>
<td><strong>Consensus Planning:</strong></td>
<td><strong>Consensus Review:</strong></td>
<td><strong>Post-Consensus Review Activities:</strong></td>
</tr>
<tr>
<td>• Assign Item Discussion Leaders</td>
<td>• Discuss Key Factors</td>
<td>• Document Findings</td>
</tr>
<tr>
<td>• Review Findings From the Independent Evaluations</td>
<td>• Discuss Items and Key Themes</td>
<td>• Prepare Consensus Scorebook</td>
</tr>
<tr>
<td>• Develop Draft Item Consensus Comments</td>
<td>• Achieve Consensus on Comments, Scores, and Site Visit Issues</td>
<td>• Prepare for Site Visit</td>
</tr>
</tbody>
</table>

Stage 3, Site Visit Review

All applications proceed to Stage 3, Site Visit. The team of Examiners conducts the Site Visit to clarify any uncertainty or confusion regarding the written application and to verify that the information provided is accurate.
accurate reflection of the organization. The team clarifies the site visit issues by interviewing the applicant's employees, by reviewing organizational documents on site, and by discussing their findings. After completing the site visit, the team of Examiners prepares a final Site Visit Scorebook.

<table>
<thead>
<tr>
<th>Step 1: Team Preparation</th>
<th>Step 2: Site Visit</th>
<th>Step 3: Post-Site Visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Review Consensus Findings</td>
<td>• Make/Receive Presentations</td>
<td>• Resolve Issues</td>
</tr>
<tr>
<td>• Develop Site Visit Issues Worksheets</td>
<td>• Conduct Interviews</td>
<td>• Summarize Findings</td>
</tr>
<tr>
<td>• Plan Site Visit</td>
<td>• Review Documents, Records, Updated Results</td>
<td>• Finalize Comments</td>
</tr>
<tr>
<td></td>
<td>• Record Observations</td>
<td>• Prepare final Site Visit Scorebook</td>
</tr>
<tr>
<td></td>
<td>• Provide Key Themes to Applicant</td>
<td></td>
</tr>
</tbody>
</table>

Stage 4, Judges' Review

During Stage 4, TPE forwards the Application, Key Factors, Key Themes, Consensus Scorebook, and Site Visit Scorebook for each applicant to TPE's Panel of Judges. The Panel of Judges makes the final recommendations on levels of Award to the TPE Board of Trustees.

Members of the Panel of Judges may be Ohio, Indiana, West Virginia residents or they may be from out-of-state. Judges generally have a long and varied history with their state and with the national-based Baldrige programs, having acted in several capacities at both levels.

A Lead Judge and a back-up judge are assigned to each application. The Lead Judge studies the application, the Consensus Scorebook and Site Visit Scorebook, and confers with the Team Leader as necessary. The Lead Judge presents the applicant to the Panel of Judges. A two-thirds majority vote by the Panel of Judges is required to award a level for an applicant. Judges do not participate in discussions or vote on applications in which they have a conflict of interest or a competing interest. The panel reviews and discusses all conflicts so that all Judges are aware of their own and others' limitations on access to information and participation in discussions and voting.

TPE designs the judging process to provide for a balanced assessment of organizational quality. The Panel of Judges considers many factors in their decision-making: the breadth and relevance of competitive comparisons noted in the application; observations, verification, and clarification obtained by the examining team during the site visit; and the strengths, opportunities for improvement, and overall score identified by the examination team.

The TPE Panel of Judges seeks to apply consistent standards across all sectors for the final determination of Award levels. After the Judges' review and recommend Award recipients, the lead judge works with the Team Leader to edit the Site Visit Scorebook which becomes this Feedback Report. The Judges' final recommendations are then sent to the TPE Board of Trustees for approval.

During its review, the Judges' Panel also looks for role model organizations which can be used for recognition and sharing at the annual Quest for Success conference in September of each year.
SCORING

The scoring system used to score each Item is designed to differentiate the Applicants in the various stages of review and to facilitate feedback. The scoring of responses to Criteria Items is based on two evaluation dimensions: Process and Results.

- The four factors used to evaluate Process Categories 1–6 are Approach (A), Deployment (D), Learning (L), and Integration (I). Figure 1 shows Scoring Guidelines for Categories 1-6.

- The four factors used to evaluate Results (Items 7.1–7.5) are Levels (Le), Trends (T), Comparisons (C), and Integration (I). Figure 2 shows Scoring Guidelines for Category 7.

The Applicant's overall scores for Process Items and Results Items each fall into one of eight scoring bands. Figure 3 shows each band score with its corresponding descriptor of attributes associated with that band.
**Figure 1: 2011-2012 Baldrige Criteria Process Scoring Guidelines**

<table>
<thead>
<tr>
<th>Score</th>
<th>Process (for use with categories 1-6)</th>
</tr>
</thead>
</table>
| 0% or 5% | No systematic approaches to items are evident; information is anecdotal. (A)  
No link or relationship of any systematic approaches evident. (B)  
No improvement orientation for evident improvement achieved through reacting to problems, if any. (C)  
No organizational response is evident in individual area or work unit's operation. (D) |
| 10%, 15%, 20%, or 25% | The beginning of a systematic approach to the major requirements of the item is evident. (A)  
The approach is increasing, although some areas are work units are in early stages of improvement. (B)  
Early stage of transition from reacting to problems to a general improvement orientation is evident. (C)  
The approach is operational with other areas or work units, larger than problem solving. (D) |
| 30%, 35%, 40%, or 45% | As effective, systematic approach responsive to the major requirements of the item is evident. (A)  
The approach is evidenced, although deficiencies may vary in some areas or work units. (B)  
The beginning of a systematic approach to evaluation and improvement of key processes is evident. (C)  
The development is aligned with your overall organizational needs identified in response to the Organizational Profile and other process items. (D) |
| 50%, 55%, 60%, or 65% | As effective, systematic approach responsive to the major requirements of the item is evident. (A)  
The approach is well developed with no significant gaps. (B)  
As effective, systematic approach to evaluation and improvement of key processes is evidenced. (C)  
The approach is aligned with your overall organizational needs identified in response to the Organizational Profile and other process items. (D) |
| 70%, 75%, 80%, or 85% | As effective, systematic approach fully responsive to the major requirements of the item is evident. (A)  
The approach is well developed with no significant gaps in any area or work units. (B)  
As effective, systematic approach to evaluation and improvement of key processes is evidenced. (C)  
The approach is aligned with your current and future organizational needs identified in response to the Organizational Profile and other process items. (D) |
| 90%, 95%, or 100% | As effective, systematic approach fully responsive to the major requirements of the item is evident. (A)  
The approach is well developed with no significant weaknesses or gaps in any area or work units. (B)  
As effective, systematic approach to evaluation and improvement of key processes is evidenced. (C)  
The approach is aligned with your current and future organizational needs identified in response to the Organizational Profile and other process items. (D) |
### Figure 2: 2011-2012 Baldrige Criteria Results Scoring Guidelines

<table>
<thead>
<tr>
<th>Score</th>
<th>Results (for use with category 7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% or 5%</td>
<td>- There are no organizational performance measures and/or poor practices in areas reported. (C)</td>
</tr>
<tr>
<td></td>
<td>- There data either are not reported or show minimal, adverse impacts. (C)</td>
</tr>
<tr>
<td></td>
<td>- Comparative information is not reported. (C)</td>
</tr>
<tr>
<td></td>
<td>- Results are not reported for any areas of importance to the accomplishment of your organization's mission. (C)</td>
</tr>
<tr>
<td>10%, 15%, 20%, or 25%</td>
<td>- A few organizational performance measures are reported, responsive to the basic requirements of the item, and only good performance scores are evident. (C)</td>
</tr>
<tr>
<td></td>
<td>- Some data are reported, with some adverse performance evident. (C)</td>
</tr>
<tr>
<td></td>
<td>- Limited or no comparative information is reported. (C)</td>
</tr>
<tr>
<td></td>
<td>- Results are reported for a few areas of importance to the accomplishment of your organization's mission. (C)</td>
</tr>
<tr>
<td>30%, 35%, 40%, or 45%</td>
<td>- Good organizational performance measures are reported, responsive to the basic requirements of the item. (C)</td>
</tr>
<tr>
<td></td>
<td>- Some data are reported, and a majority of the measures produced are beneficial. (C)</td>
</tr>
<tr>
<td></td>
<td>- Limited or no comparative information is evident. (C)</td>
</tr>
<tr>
<td></td>
<td>- Results are reported for many areas of importance to the accomplishment of your organization's mission. (C)</td>
</tr>
<tr>
<td>50%, 55%, 60%, or 65%</td>
<td>- Good organizational performance measures are reported, responsive to the overall requirements of the item. (C)</td>
</tr>
<tr>
<td></td>
<td>- Beneficial scores are evident in areas of importance to the accomplishment of your organization's mission. (C)</td>
</tr>
<tr>
<td></td>
<td>- Some current performance measures have been evaluated against relevant comparisons and/or benchmarks and show areas of good relative performance. (C)</td>
</tr>
<tr>
<td></td>
<td>- Organizational performance measures are reported for most key customer, market, and process requirements. (C)</td>
</tr>
<tr>
<td>70%, 75%, 80%, or 85%</td>
<td>- Excellent organizational performance measures are reported, responsive to the overall requirements of the item. (C)</td>
</tr>
<tr>
<td></td>
<td>- Beneficial scores have been obtained over time in areas of importance to the accomplishment of your organization's mission. (C)</td>
</tr>
<tr>
<td></td>
<td>- Many current performance measures have been evaluated against relevant comparisons and/or benchmarks and show areas of leadership and very good relative performance. (C)</td>
</tr>
<tr>
<td></td>
<td>- Organizational performance measures are reported for most key customer, market, and process requirements. (C)</td>
</tr>
<tr>
<td>90%, 95%, or 100%</td>
<td>- Excellent organizational performance measures are reported, fully responsive to the overall requirements of the item. (C)</td>
</tr>
<tr>
<td></td>
<td>- Beneficial measures have been obtained over time in all areas of importance to the accomplishment of your organization's mission. (C)</td>
</tr>
<tr>
<td></td>
<td>- Evidence of industry and benchmark leadership is demonstrated in many areas. (C)</td>
</tr>
<tr>
<td></td>
<td>- Organizational performance measures and improvements are reported for most key customer, market, and process requirements. (C)</td>
</tr>
</tbody>
</table>
### Figure 3: 2011-2012 Baldrige Criteria Scoring Band Descriptors

<table>
<thead>
<tr>
<th>Band Score</th>
<th>Band Number</th>
<th>PROCESS Descriptors (Categories 1-6)</th>
<th>Band Score</th>
<th>Band Number</th>
<th>RESULTS Descriptors (Category 7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-150</td>
<td>1</td>
<td>The organization demonstrates early stages of developing and implementing approaches to the basic Criteria requirements, with deployment lagging and inhibiting progress. Improvement efforts are a combination of problem solving and an early general improvement orientation.</td>
<td>0-125</td>
<td>1</td>
<td>A few results are reported responsive to the basic Criteria requirements, but they generally lack trend and comparative data.</td>
</tr>
<tr>
<td>151-200</td>
<td>2</td>
<td>The organization demonstrates effective, systematic approaches responsive to the basic requirements of the Criteria, but some areas or work units are in the early stages of deployment. The organization has developed a general improvement orientation that is forward-looking.</td>
<td>126-170</td>
<td>2</td>
<td>Results are reported for several areas responsive to the basic Criteria requirements and the accomplishment of the organization’s mission. Some of these results demonstrate good performance levels. The use of comparative and trend data is in the early stages.</td>
</tr>
<tr>
<td>201-250</td>
<td>3</td>
<td>The organization demonstrates effective, systematic approaches responsive to the basic requirements of most Criteria items, although there are still areas or work units in the early stages of deployment. Key processes are beginning to be systematically evaluated and improved.</td>
<td>171-210</td>
<td>3</td>
<td>Results address areas of importance to the basic Criteria requirements and accomplishment of the organization’s mission, with good performance being achieved. Comparative and trend data are available for some of these important results areas, and some beneficial trends are evident.</td>
</tr>
<tr>
<td>251-300</td>
<td>4</td>
<td>The organization demonstrates effective, systematic approaches responsive to the overall requirements of the Criteria, but deployment may vary in some areas or work units. Key processes benefit from fact-based evaluation and improvement, and approaches are being aligned with overall organizational needs.</td>
<td>211-255</td>
<td>4</td>
<td>Results address some key customer/stakeholder, market, and process requirements, and they demonstrate good relative performance against relevant comparisons. There are no patterns of adverse trends or poor performance in areas of importance to the overall Criteria requirements and the accomplishment of the organization’s mission.</td>
</tr>
<tr>
<td>301-350</td>
<td>5</td>
<td>The organization demonstrates effective, systematic, well-deployed approaches responsive to the overall requirements of most Criteria items. The organization demonstrates a fact-based, systematic evaluation and improvement process and organizational learning, including innovation that results in improving the effectiveness and efficiency of key processes.</td>
<td>256-300</td>
<td>5</td>
<td>Results address most key customer/stakeholder, market, and process requirements, and they demonstrate areas of strength against relevant comparisons and/or benchmarks. Improvement trends and/or good performance are reported for most areas of importance to the overall Criteria requirements and the accomplishment of the organization’s mission.</td>
</tr>
<tr>
<td>351-400</td>
<td>6</td>
<td>The organization demonstrates refined approaches responsive to the multiple requirements of the Criteria. These approaches are characterized by the use of key measures, good deployment, and evidence of innovation in most areas. Organizational learning, including innovation and sharing of best practices, is a key management tool, and integration of approaches with current and future organizational needs is evident.</td>
<td>301-345</td>
<td>6</td>
<td>Results address most key customer/stakeholder, market, and process requirements, as well as many action plan requirements. Results demonstrate beneficial trends in most areas of importance to the Criteria requirements and the accomplishment of the organization’s mission, and the organization is an industry leader in some results areas.</td>
</tr>
<tr>
<td>401-450</td>
<td>7</td>
<td>The organization demonstrates refined approaches responsive to the multiple requirements of the Criteria items. It also demonstrates innovation, excellent deployment, and good-to-excellent use of measures in most areas. Good-to-excellent integration is evident, with organizational analysis, learning through innovation, and sharing of best practices as key management strategies.</td>
<td>346-390</td>
<td>7</td>
<td>Results address most key customer/stakeholder, market, process, and action plan requirements. Results demonstrate excellent organizational performance levels and some industry leadership. Results demonstrate sustained beneficial trends in most areas of importance to the multiple Criteria requirements and the accomplishment of the organization’s mission.</td>
</tr>
<tr>
<td>451-500</td>
<td>8</td>
<td>The organization demonstrates outstanding approaches focused on innovation. Approaches are fully deployed and demonstrate excellent, sustained use of measures. There is excellent integration of approaches with organizational needs. Organizational analysis, learning through innovation, and sharing of best practices are pervasive.</td>
<td>391-450</td>
<td>8</td>
<td>Results fully address key customer/stakeholder, market, process, and action plan requirements and include projections of future performance. Results demonstrate excellent organizational performance levels, as well as national and world leadership. Results demonstrate sustained beneficial trends in all areas of importance to the multiple Criteria requirements and the accomplishment of the organization’s mission.</td>
</tr>
</tbody>
</table>

* "Industry" refers to other organizations performing substantially the same functions, thereby facilitating direct comparisons.
Your application scored in the band 5 for PROCESS items. The organization demonstrates effective, systematic, well-deployed approaches responsive to the overall requirements of most Criteria items. The organization demonstrates a fact-based, systematic evaluation and improvement process and organizational learning, including innovation that results in improving the effectiveness and efficiency of key processes.

Your application scored in the band 5 for RESULTS items. Results address most key customer/stakeholder, market, and process requirements, and they demonstrate areas of strength against relevant comparisons and/or benchmarks. Improvement trends and/or good performance are reported for most areas of importance to the overall Criteria requirements and the accomplishment of the organization’s mission.
KEY THEMES

A Key Theme is a strength or opportunity for improvement that addresses a central requirement of the Criteria, is common to more than one Item or Category (is cross-cutting), is especially significant in terms of the applicant’s Key Factors, and/or addresses a Core Value of the Criteria.

Process Item Strengths: What are the most important strengths or outstanding practices (of potential value to other organizations) identified?

- **Customer-Driven Excellence** - Citizens Energy Group (CEG) exhibits the Baldrige core value of Customer-Driven Excellence. A focus on customers is built into the Vision and Mission, and CEG has multiple methods to listen to customers and build customer relationships. In deployment checks throughout CEG, every employee the examiner team talked with understood the focus is on the customer. An example of a customer-driven process is the Customer Relationship Management Model. Key work systems are specifically defined to meet customer requirements. There are numerous examples of processes that have been revised and improved based on customer feedback. This focus on the customer supports the core competency of customer satisfaction.

- **Officer Commitment** - Officer commitment to the Mission, Vision, and Values (MVV) and sustainability of CEG is recognized and aligns with the Baldrige core value of Visionary Leadership. The leadership system is based on CEG’s Values, and is used to set direction and provide a focus on action. Together, the leadership system and Strategic Planning Process (SPP) provide a framework for the officers to identify and develop strategic objectives, determine what needs to be measured, and lead the workforce in achievement of objectives. Officers are also focused on organizational sustainability, and have recently instituted a succession planning process. Officer commitment to the MVV during the significant changes occurring as a result of the acquisition may further inspire and engage the workforce.

- **Focus on Community** - Due to the nature of the Trust, CEG places a significant focus on community. They go beyond the requirements of the Trust, however, in managing investments and identifying opportunities that will allow participation and re-investment in the community. The community is a significant stakeholder and CEG has many examples of societal benefit. Workforce engagement by participating in community events is high, with some events being "sold out". Since many members of the community are also customers, this continued focus on community may enhance CEG’s reputation among both the community and customers.

- **Strategic Planning Process** - CEG has a robust SPP with considerable thought given to inputs. Strategic objectives are developed in measurable, outcome-oriented goals, as well as tracked and managed through cascading scorecards. All members of the workforce participate in an incentive program tied to these goals. The strength of the planning process may assist CEG in addressing their expanding organizational priorities due to the acquisition.
Process Item Opportunities for Improvement: What are the most significant opportunities, concerns, or vulnerabilities identified?

- **Deployment to All Stakeholders** - There are a number of leadership processes that have not been systematically deployed to all stakeholders. In some cases this relates to employees below the leadership level, and in other cases it relates to non-workforce stakeholders. During deployment checks on-site, most employees were not aware of any Trust objectives except customer satisfaction, and employers were not sure exactly what their year-end incentive pay was based on. In addition, there is no systematic deployment of the MVV, including ethical conduct, to customer-facing strategic suppliers and partners. Systematic deployment of such cultural aspects may help ensure the value of integrity is practiced and perceived by all stakeholders.

- **Sharing Internal Lessons Learned and Best Practices** - CEG has an opportunity to improve internal sharing of lessons learned and best practices across the combined organization. For example, there is no systematic process to internally share lessons learned and best practices identified during external benchmarking. In addition, as customer complaints are addressed, there is no broader communication of root cause, and best practices implemented for specific projects are not proactively shared to all CEG employees to see if other areas could benefit. A systematic process to spread lessons learned and best practices sharing may also help mitigate the potential loss of knowledge due to the aging workforce.

- **Post Acquisition Cycles of Learning** - Several processes have not been evaluated for cycles of learning and improvement; such processes may warrant improvement due to the increased size and breadth of CEG post-acquisition. These include the effectiveness of the leadership team, managing career progression below the leadership team level, and addressing workforce capacity and capability. Systematically reviewing and improving such critical processes may help CEG maintain high performance and its organizational sustainability.

Results Item Strengths: Considering the applicant's key organizational factors, what are the most significant strengths (related to data, comparisons, linkages) found in its response to Results Items?

- **Gas Customer Satisfaction** - CEG shows sustained and consistently high satisfaction ratings from its gas customers, and is at or near the top in all categories of customer service based on outside research surveys. In addition, CEG has positive levels and trends in reliability, a key measure of customer product and service results, and ranks 1st in a 20-city survey for the percentage of plastic and protected pipe. These results are consistent with the core competency of customer service, and delivering the value of the Trust.

- **Societal and Community Results** - CEG presents positive trends for key measures of fulfilling societal responsibilities and support of key communities, including reduction of NOx emissions, reuse of bottom ash, and United Way contributions. In addition, complaints from the Indiana Utility Regulatory Commission show a sustained positive trend, level and comparison. Furthermore, employees and customers confirm their perception of CEG’s ethical behavior. These positive results are confirmation of CEG’s integration of the Mission and Vision into their operations.

- **Cash Flow** - CEG's financial position is strong, with more than minimum-required debt service coverage for all product lines. In addition, synergies from the acquisition are approaching the 3-year targeted cumulative level after only 1½ years. The strength of CEG’s financial management addresses the strategic challenge of reducing costs and generating sufficient cash flow.
Results Item Opportunities for Improvement: Considering the applicant's key organizational factors, what are the most significant opportunities, vulnerabilities, and/or gaps (related to data, comparisons, linkages) found in its response to Results Items?

- **Results for Water and Wastewater** - Several key results are missing for the water and wastewater business. Customer satisfaction has traditionally been a challenge for this division. While there is an intent to infer that gas satisfaction will also reflect water satisfaction with the centralized call center and billing, that will not cover water customers who use electric instead of gas. In addition, employee survey results are not segmented for water and wastewater. Understanding the results of the water and wastewater operations could contribute to overall performance since it is now the top revenue-producing division of the organization.

- **Workforce Results** - Several workforce results have recently shown unfavorable trends, including voluntary turnover. In addition, even though a significant portion of the workforce is retirement eligible, there are no results on forward-looking workforce capability and limited results for workforce capacity. Having a better understanding of workforce retention, capability, and capacity may help CEG respond to the strategic challenges of retirement eligibility as well as expanding customer service expectations resulting from customer demographic shifts.

- **Missing Results and Comparisons** - There are several areas of missing results and/or comparison data. These include levels and trends of regulatory and legal requirements, trends and comparisons on bond ratings, and comparisons for Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) from organizations providing similar products and services. Focusing on such results may assist CEG in their journey to provide unparalleled excellence.
DETAILS of STRENGTHS and OPPORTUNITIES for IMPROVEMENT

Category 1  Leadership

Item 1.1  Senior Leadership / Scoring Range 50-65%

STRENGTHS

• 1.1a(2) Officers demonstrate their commitment to legal and ethical behavior by communicating clear expectations, modeling those behaviors, applying Values in decision-making and communicating that back to the employees. These actions can help further CEG’s culture.

• 1.1b(2) CEG uses the Senior Leadership System, which is based on its Values, to set and communicate direction and provide a focus on action. For example, officers play an active role in the Succession Planning Process, which may increase the organization's sustainability.

• 1.1a(1) The personal actions of senior leaders exemplify the company's Values in multiple ways. One example is Officers' participation in diversity training, with several being graduates of the Diversity Leadership Academy.

• 1.1a(1) CEG’s Vision and Mission reflect their focus on customers and the environment. Deployment checks in all locations confirmed workforce awareness and alignment with the Vision and Mission. Such alignment may help CEG maintain their core competency of customer satisfaction.

OPPORTUNITY FOR IMPROVEMENT

• 1.1a(1) The Mission, Vision and Values (MVV) are not systematically deployed to non-workforce stakeholders, such as the customer-facing strategic suppliers and partners, and such deployment is not included in the Communication and Engagement Forums (Figure 1.1-3). There is also an opportunity to consider extending CEG’s culture to the investment stakeholders. Deploying the MVV to all stakeholders may help strengthen the stewardship of the Trust.

Item 1.2  Governance and Societal Responsibilities / Scoring Range 70-85%

STRENGTHS

• 1.2b(1) CEG has excellent processes in place to address any adverse impacts on society of its products and operations. For example, in 2010, CEG adopted ISO Environmental Management System (EMS) to raise organizational awareness concerning the environmental aspects and impacts of its businesses and to identify the strategies that were being implemented across the organization with external stakeholder groups. The water division is certified in ISO QMS and EMS. Such processes are consistent with CEG's Mission to be a good steward of the environment.
• 1.2c CEG considers long-term benefit of their customers and communities as part of their Mission, and this leads to significant contribution to the well-being of the community. Many examples of Societal Benefits (Figure 1.2-3), Strategic Community Investments (Figure 1.2-4), and the ongoing support of surrounding neighborhood and economic development are identified.

• 1.2a(1) CEG is governed by a Board of Trustees (BOT) and a Board of Directors (BOD). Both governing boards are subject to oversight by officials of the City of Indianapolis and other state agencies, allowing transparency in operations.

**OPPORTUNITIES FOR IMPROVEMENT**

• 1.2b(2) Processes to ensure ethical behavior in all interactions are not fully deployed. Policies such as Code of Conduct, Conflict of Interest, EEO, etc., are discussed with new employees during new hire orientation, but deployment checks on-site indicated many employees were unfamiliar with the specifics of the policies. In addition, processes for ensuring ethical behavior are not deployed to all partners, suppliers, and other stakeholders. Without this deployment, CEG's Value of Integrity could potentially be compromised.

• 1.2c There is no systematic process to manage and improve societal responsibility and community support efforts. For example, there is no systematic approach to integrate any needed improvements of these efforts into the SPP. Without this systematic process, CEG's core competency of Collaboration & Partnering may not be fully achieved.

• 1.2a(2) Processes to evaluate leadership effectiveness have not been reviewed for cycles of improvement since the acquisition. It may benefit CEG to consider how they evaluate leadership team effectiveness and determine if the same processes in place before the acquisition continue to be the most effective ones for the larger organization post-acquisition.

**Category 2 Strategic Planning**

**Item 2.1 Strategy Development / Scoring Range 70-85%**

**STRENGTHS**

• 2.1a(1) CEG uses a systematic Strategic Planning Process (SPP) (Figure 2.1-1). The SPP includes a 12-step process - beginning with step 1 to analyze strategic inputs and ending with step 12 to improve the process. This approach allows CEG to align and focus its resources to achieve its strategic objectives.

• 2.1a(2) CEG's strategy considerations include Strengths, Weaknesses, Opportunities Threats (SWOT) and Market Analysis. For example, a SWOT analysis is performed annually while comprehensive market analysis is performed twice a year. These actions provide CEG with a better understanding of its current situation and help to create better strategies.

• 2.1b(1) CEG identifies and develops the strategic objectives in measurable, outcome-oriented terms, with a timetable, and tracks them using a Trust Scorecard. The most important goals for these strategic objectives are also identified, as shown in Figure 2.1-2, and Officers establish priorities to meet the business' overall goals using the scorecards. This process of developing goals may help ensure successful implementation.
Opportunities for Improvement

- 2.1(1) The Trust Scorecard Objectives are not systematically deployed to employees below the Executives’ and Directors’ levels. During deployment interviews on-site, a number of employees were not aware of any of the Trust Objectives other than customer satisfaction. Without effective deployment of the objectives to the entire workforce, it may be difficult for CEG to achieve consistently high results.

- 2.1(2) There is a potential disconnect between the timeline to achieve the Trust Objectives and some of the capital projects being worked on. The Strategic Plan is for a 5-year timeframe, but several capital projects were for 20+ years. Without an effective integration of the timeline, it may be difficult for CEG to obtain desired results.

Item 2.2 Strategy Implementation / Scoring Range 50-65%

STRENGTHS

- 2.2(1) CEG uses a systematic approach to effectively convert strategic objectives into detailed action plans that align with key objectives and customer requirements. For example, Figure 2.1-2 shows a sample of the action plans with their strategic alignment. This systematic approach may increase CEG’s ability to address the strategic challenge of requiring solid alignment of priorities.

- 2.2(2) Action plans are cascaded from the SPP to strategic objectives to division/department planning sessions and ultimately to individual action plans. For example, short-term and long-term strategic goals are attached to action plans that are deployed throughout each department. Each employee also participates in an incentive plan with metrics aligned to the SPP. The alignment of individual action plans with short- and long-term goals further clarifies the priorities for the workforce.

- 2.2(5) CEG presents a systematic approach to identify key performance measures for tracking the effectiveness of action plans. For example, CEG uses a balanced scorecard that further aligns the objectives with key metrics. Operational plans and annual budgets, prepared by each division, link action plans at the department level to Trust Goals and Objectives.

OPPORTUNITY FOR IMPROVEMENT

- 2.2(6) Should circumstances require sudden shifts and rapid execution, CEG does not have a systematic process to evaluate the effectiveness of specific action plans. Some action plans are re-evaluated when circumstances change, but such re-evaluation varies by business and department. Without a systematic process, it may be difficult for CEG to continuously improve.
Category 3  Customer Focus

Item 3.1  Voice of the Customer / Scoring Range 70-85%

STRENGTHS

- 3.1a(1) CEG uses a systematic approach for listening to customers through multiple listening and learning mechanisms, including external sources like J.D. Power, customer studies, and social media. Internal processes, such as the IVR system and using the Benchmark Portal to become a certified call center, have been changed as a result of customer feedback. These approaches support the core competency of customer satisfaction.

- 3.1b(3) CEG has a data driven method to determine customer dissatisfaction and is proactive in using the information to exceed customers' requirements. In the customer research studies, attributes are tracked and customers who rate CEG 0-8 in Overall Satisfaction are asked “What could the organization have done to earn a 9 or 10?” This allows the customers to describe the issue in their own words. Work teams review those comments monthly to identify process improvement opportunities and to coach individual employees. This process allows CEG to get actionable feedback to use in moving towards its Vision of unparalleled excellence.

- 3.1a(1) CEG uses social media and online forums in innovative ways to help listen to the VOC and obtain feedback. Use of the DKNEWMedia is an innovative way to look for unbiased comments without soliciting them. In addition, CEG uses Facebook, Twitter and YouTube to communicate. Using social media and online forums are innovative ways to help CEG to keep their brand loyalty strong and perceived product value high.

OPPORTUNITIES FOR IMPROVEMENT

- 3.1b(2) CEG does not have a systematic process to obtain information on its customers' satisfaction relative to the satisfaction levels of customers of other organizations providing similar products or to industry benchmarks. Without such a process, CEG’s Vision of unparalleled excellence may be impacted.

- 3.1a(1) CEG’s newly integrated listening and learning methods for water and wastewater customers, such as the common call center, re-contact surveys and focus groups, have not been deployed long enough to enable further learning or innovation opportunities. A gap may remain in the core competency of customer satisfaction until enough data can be gathered to analyze.

Item 3.2  Customer Engagement / Scoring Range 50-65%

STRENGTHS

- 3.2b(1) CEG uses a systematic process to manage and build relationships with its customers. This is shown in the use of the Customer Relationship Management Model (Figure 3.2-1), which was identified through a benchmarking exercise and adjusted to fit CEG’s needs. This is consistent with the success factor of delivering exceptional customer service.
3.2b(2) CEG has a systematic approach to collect and use complaint data to drive improvements. CEG uses a Complaint Resolution Process (Figure 3.2-2) to formalize customer feedback and as a means to solve issues and drive customer recovery and satisfaction. This systematic approach shows attention to the core competencies of customer satisfaction and performance improvement.

3.2a(1) CEG uses competitive intelligence and benchmarking to identify new products and service offerings. CEG consistently uses both primary research and secondary research (data from trade associations, consortiums, case studies, U.S. Census) to spearhead product and service projects, and marketing and communication campaigns. This approach may help CEG remain competitive.

**OPPORTUNITIES FOR IMPROVEMENT**

3.2b(1) Processes such as the Customer Relationship Model (CRM) to non-gas product line customers is generally not deployed as well as it is to the traditional gas customers. This may lead to a segment of customers that do not have the same ability to have their concerns and opportunities heard.

3.2b(2) There is no systematic process for lessons learned from recurring issues. Complaints are logged, and management is notified when complaints have been resolved, but there is no root-cause analysis to eliminate the issue at the source. Without a process, CEG may be wasting resources and creating re-work to resolve the same issues.

3.2a(4) The process to identify opportunities for innovation is new and has not yet been able to undergo cycles of improvement to determine its effectiveness or ability to lead to future opportunities to enhance customer relations.

**Category 4 Measurement, Analysis, and Knowledge Management**

**Item 4.1 Measurement, Analysis, and Improvement of Organizational Performance / Scoring Range 50-65%**

**STRENGTHS**

4.1a(1) Key metrics are selected and aligned through the Trust, Division, and Department Scorecards. CEG uses these scorecards to focus resources to implement improvement at various levels in the organization.

4.1a(1) The Senior Leadership System (Figure 1.1-1) and SPP (Figure 2.1-1) create a systematic and sequential system to determine what is important and needs to be measured. These systems allow CEG to align resources to accomplish strategic objectives.

4.1(b) CEG uses a defined set of review meetings to assess organizational performance. For example, quarterly divisional meetings, monthly BOD meetings, and regular department leadership meetings are held. Consistent review of performance aligns with CEG’s culture of continuous improvement.

**OPPORTUNITY FOR IMPROVEMENT**

4.1a(2) No systematic process exists to select key comparative data and information to support innovation. Examples of processes using benchmark data to spur innovation were ad hoc in nature and were not well-ordered and repeatable. Using a systematic process to select and identify sources of key comparative data may enable CEG to increase their opportunities for innovation.
Item 4.2  Management of Information, Knowledge, and Information Technology / Scoring Range 50-65%

STRENGTHS

- 4.2b(2) Critical information, hardware, and software systems are identified in business continuity plans and are covered by robust processes to ensure their availability in the event of an emergency. These processes include backups, retention schedule, fail-overs, and an annual recovery exercise with lessons learned. These processes support the customer requirement of reliable supply.

- 4.2a(2) CEG effectively makes information available to customers, suppliers, and employees. The website is used to provide information to all three groups, and suppliers also have access to information using Microsoft SharePoint. Effective information sharing with these stakeholders enable CEG to meet the requirements of stakeholders.

- 4.2a(1) and (3). A Knowledge Management System (KMS) is used to manage the various types of internal and external knowledge. CEG also uses the KMS to improve their information and knowledge assets to ensure data accuracy, integrity, and security.

OPPORTUNITIES FOR IMPROVEMENT

- 4.2a(3) A process to collect relevant knowledge and transfer the knowledge to the workforce from the KMS for use in the innovation process is not deployed in a systematic way throughout the organization. Some departments have a lot of information in iShare, and other departments post very little information. Systematic deployment of the KMS may help CEG address the strategic challenge of the aging workforce.

- 4.2a(3) There is no systematic process to share best practices across the organization to all business groups and at all levels. Best practices are opportunistically sought and implemented for specific projects, but there is a general lack of sharing continuous improvement types of best practices. Deploying best practices throughout CEG may help to maintain the lowest possible rates for customers by keeping non-gas costs down.

Category 5  Workforce Focus

Item 5.1  Workforce Environment / Scoring Range 50-65%

STRENGTHS

- 5.1b(2) CEG uses workforce policies that take into account the diverse workforce needs, allowing CEG to build a supportive and diverse workforce environment. Policies that address the needs of a diverse workforce help maintain employee retention and continuity of customer service which is important for CEG’s sustainability.
• 5.1a(2) CEG uses a centralized and systematic approach to recruit and hire new employees. CEG continuously improves this approach to ensure the effectiveness of the process and to fill open positions with individuals that fit with their culture and beliefs. This approach allows CEG to build an effective workforce in alignment with its overall core competency of performance excellence.

• 5.1b(1) Workplace environmental factors are addressed through an Occupational Health, Safety & Security Department. This department has programs to promote work safety, which may help reduce accidents and demonstrates CEG’s commitment to safety of the workforce.

OPPORTUNITIES FOR IMPROVEMENT

• 5.1a(1) CEG does not systematically address workforce capability and future capacity, specifically the non-exempt and bargaining unit workforce with significant retirement eligibility. Without systematically addressing this challenge, CEG may impact its ability to maintain a high performing workforce and potentially limit sustainability.

• 5.1a(4) Change management processes deployed during the acquisition integration did not fully prepare the workforce for changing capability and capacity needs. An example is the unexpected spike in the volume of call center activity. Proactively preparing the workforce for changes may support a continued high performing workforce.

Item 5.2 Workforce Engagement / Scoring Range 50-65%

STRENGTHS

• 5.2a(2) CEG fosters open communication and an engaged workforce through the Performance Plan and Review (PPR) and Development and Performance Feedback (DPF) processes. Open communication and an engaged workforce are critical to ensuring a high performing and motivated workforce needed for CEG to achieve its core competency of operational excellence.

• 5.2c(3) CEG has developed a Succession Planning Process that identifies gaps in readiness for key positions. In conjunction with training and mentoring, this process may assist CEG ensure its sustainability.

• 5.2c(1) CEG uses a systematic learning and development system that addresses the organization’s core competencies and strategic direction. Ongoing training and development is a workforce requirement.

OPPORTUNITIES FOR IMPROVEMENT

• 5.2b(1) Indicators such as workforce retention, absenteeism, grievances, safety and productivity are not analyzed to assess and improve workforce engagement. Ensuring that engagement is assessed and results are used for improvement may contribute to continuing to deliver exceptional customer service, one of CEG’s success factors.

• 5.2c(3) There is not a systematic approach for managing career progression below the leadership level. Lack of managing effective career progression below the leadership level may impact development of this workforce segment, and may hinder achieving higher performance.
• 5.2a(3) CEG does not have a well-deployed systematic process for rewards and recognition that supports performance. On-site interviews with employees indicated employees felt recognized for service years, but CEG as an organization, has no systematic process to reward employees based on performance. However, there were instances of team rewards, and some departments – such as IT – had their own reward program. Integration of reward and recognition programs with the workforce performance management system may improve overall workforce engagement.

• 5.2b(2) CEG does not correlate engagement results with other business results in an effort to improve all areas of the business. It may be difficult to achieve the vision of unparalleled excellence if business results are not correlated with CEG's overall workforce engagement.

Category 6 Operations Focus

Item 6.1 Work Systems / Scoring Range 50-65%

STRENGTHS

• 6.1a(1) Key work systems have been specifically defined to meet customers' and stakeholders' requirements and deployed to most divisions. The organizational work systems and support systems such as Capital Program and Engineering (CP&E) have also been defined and implemented to compliment the key work systems. CEG uses a Plan-Do-Check-Act (PDCA) approach in its Integrated Performance Improvement Cycle to learn and improve the efficiency of its work systems. This approach addresses CEG's desire to focus on customers' needs and continually improve its processes.

• 6.1b(2) Effective processes are in place to control cost of work systems. These processes include monthly monitoring of expenditures and budget variance reporting for each work system, employee training, Standard Operating Procedures (SOP), and automation to eliminate defect and rework. Such processes allow CEG to provide low cost services to its customers, and thus fulfill its mission.

• 6.1c CEG uses an integrated Disaster Recovery Plan covering all divisions and follows standards from governing organizations (National Incident Management System). Emergency response training is jointly provided by the Indiana Pipeline Awareness Association to employees and emergency response plans are tested yearly to assess vulnerability. This approach allows CEG to continue without interruption to product supply and delivery, which is a key customer requirement.

OPPORTUNITIES FOR IMPROVEMENT

• 6.1c The emergency response plans are not fully deployed to contractors and temporary employees. There is no systematic process to check and evaluate contractors and key supplier/partner operations for continuity or disaster recovery plans. A complete deployment of emergency response and disaster recovery plans throughout the product and service chain may further ensure CEG can continue to provide the crucial services expected by its customers.

• 6.1b(2) Cost control is not systematically embedded in the design of the work systems. Designing cost control into each work system may support the success factor of controlling non-gas costs to keep prices low.
Item 6.2  Work Processes / Scoring Range 50-65%

STRENGTHS

6.2(1) CEG manages, designs and improves its work processes around stakeholders' requirements and organizational needs. For example, CEG uses inputs from customers, cross-functional teams, and the Performance Improvement Cycle (PIC) to manage and improve its work processes and achieve stakeholder expectations.

- 6.2b(2) CEG uses a Category Management approach to manage its many suppliers and partners and enters into master service agreements with preferred suppliers to ensure availability of supplies and reduce cost. CEG's goals and values are shared with the suppliers, and suppliers participate in strategic planning. These processes support an effective and reliable supply chain which is crucial to the delivery of products and services to CEG customers.

- 6.2b(3) To improve work processes and achieve better performance, CEG uses a well-deployed Problem Solving Process as part of phase II of its Performance Improvement Cycle. These processes encourage CEG to gather information and best practices from outside expertise, industry forums, etc. In doing so, CEG makes improvement to its processes and their effectiveness by tapping into a much larger pool of knowledge.

OPPORTUNITIES FOR IMPROVEMENT

- 6.2b(2) CEG has a process to remove poor performing suppliers, but no data-driven process to monitor vendor performance (for example, through vendor scorecards). Without a data-driven process to monitor vendors/suppliers/contractors performance, it may be difficult for CEG to identify early deficiencies or issue supplier corrective action requests.

- 6.2a(1) The potential need for agility is not systematically incorporated into work processes. Many process changes have occurred as a result of the acquisition integration. Systematically incorporating agility into processes may support the success factor of controlling non-gas costs as well as CEG's culture of continuous improvement.

Category 7  Results

Item 7.1  Product & Process Outcomes  Scoring Range 50-65%

STRENGTHS

- 7.1a CEG presents positive levels and comparisons in reliability, one of the key measures of customer product & service results. For example, CEG ranks 1st in the 20 - City Survey Companies on Percentage of Plastic & Protected Pipe (Figure 7.1-1) resulting in high gas system reliability. Water and Wastewater Systems Reliability (Figure 7.1-5) show 100% of time minimum pressure is achieved over the past 4 years (2009-2012).
• 7.1b Positive trends in steam operational process effectiveness results support CEG’s organizational strategy and action plans and are consistent with its MVV. Examples include results for steam boiler availability (Figure 7.1-9) and the number of header sags (Figure 7.1-18) over the last 5 years.

• 7.1c The savings attributed to the acquisition integration (Figure 7.1-27) shows a significant positive performance in the first year. The savings for Year 1 is approaching the 3-year goal. Such savings support CEG’s customer requirement to keep customer costs low.

OPPORTUNITIES FOR IMPROVEMENT

• 7.1a and 7.1b(1) Relative to comparisons, some product and process results do not reflect CEG’s Vision and are below best-in-class. An example is the average heating bill (Figure 7.1-23) where CEG ranks #12 of the top 20 cities. Additionally, Gas Meter Reading Accuracy (Figure 7.1-8) and Cycle Times in the Call Center (Figure 7.1-22) show mixed results and trends. Improving these results over time may assist CEG to better serve its customers.

• 7.1b(2) Test results of the disaster and recovery response program are limited to a few tornado exercises and fire drills. There are no results to confirm if CEG’s facilities/production plants would remain in operation should its workforce be significantly reduced (pandemic, for example) which could stop the delivery of the critical services it provides to its customers.

Item 7.2 Customer-Focused Outcomes / Scoring Range 50-65%

STRENGTHS

• 7.2a(1) CEG shows consistently high ratings and improving trends in customer satisfaction for gas residential and thermal over the last 5 years. Thermal Overall Satisfaction (Figures 7.2-2); Residential Satisfaction (Figure 7.2-3); JD Power Rank of 27 Midwest Companies (Figure 7.2-4); and Residential and Business Best in Class (Figure 7.2-5) all show that CEG consistently rates at or near the top in all categories of customer satisfaction based on outside research sources. These results indicate that CEG understands and meets most of its customers’ requirements.

• 7.2a(2) CEG’s Customer Engagement outcomes provide evidence of relationship-building with customers. CEG-Gas Residential Segment (Figure 7.2-11) ranks best in class in 2 loyalty measures in 2012, and Gas Business Segment (Figure 7.2-12) show results in the top quartile ratings for loyalty. These results show CEG’s focus on customer-driven excellence for the gas customers.

• 7.2a(1) Complaints received from the Indiana Utility Regulatory Commission (Figure 7.2-7) show that the number is decreasing, and currently is less than one complaint per 100,000 customers. Compared to its direct competitor, Vectren North (Gas), overall CEG receives fewer complaints. These results indicate CEG’s commitment to the community and to be a good citizen.

OPPORTUNITIES FOR IMPROVEMENT

• 7.2a(1) Business, Gas Dissatisfaction (Figure 7.2-6) shows business dissatisfaction at 2% in 2009 and increasing to 5% in 2012. There are no equivalent figures for the gas business segment, similar to those for residential gas customers (Figures 7.2-3 or 7.2-4). Without a focus on dissatisfaction, CEG may not be able to sustain the engagement and loyalty of all of its customer groups.
7.2a(1) There are limited results for the Water and Wastewater Divisions, which now comprise the majority of revenue for CEG. CEG has emphasized that for water customers who are also gas customers, the company now has one face. However, water customers who are not gas customers may be a customer segment that have unrecognized issues. Without results for all customer segments, CEG may miss opportunities that impact their core competency of customer satisfaction.

Item 7.3 Workforce-Focused Outcomes / Scoring Range 50-65%

STRENGTHS

7.3a(3) Workforce engagement and development results show favorable levels and comparisons. For example, Employee Loyalty/Truly Loyal Employees (Figure 7.3-13), a Trust Scorecard measure, shows Executive Management and Managers/Supervisors are above the 2009 national average for the four years reported. Having an engaged workforce is crucial to CEG’s growth and sustainability.

7.3a(2) CEG demonstrates a positive trend in its core competency of collaboration with the union resulting in fewer grievances (Figure 7.3-8), and 95% of all grievances from 2006 - 2012 have been settled or withdrawn by the union (Figure 7.3-9). These results show that the CEG is leveraging one of its strategic advantages of collaborating and building relationships with the union and this positively impacts employee satisfaction.

7.3a(4) CEG shows positive levels of investment in workforce development. For example, Investment in Employee Development (Figure 7.3-17), shows CEG shows significant increases in average hours per employee for Corporate and Gas employees in 2012 and exceed the Saratoga benchmark. These results create long-term value for CEG’s customers and community.

7.3a(2) CEG shows positive levels in some key measures of its workforce climate, including workforce health, safety and security. The DART rate (Figure 7.3-4) is below the 2010 National Safety Council level. In addition, CEG has received numerous industry awards for safety. These results reinforce CEG’s commitment to its Value of safety.

OPPORTUNITIES FOR IMPROVEMENT

7.3a(1) Voluntary turnover levels and trends are increasing, especially for Non-Exempt employees (Figure 7.3-3). This increase in voluntary turnover with Non-Exempt employees does not support CEG’s goal of employee engagement and may potentially impact the core competency of operational excellence.

7.3a(2) The number of vehicle accidents first decreased between 2008 and 2009, but steadily increased in 2010, 2011 and 2012 (Figure 7.3-4). This unfavorable trend is inconsistent with the core value of safety.

7.3a(1) CEG presents no measures or indicators on workforce capability, and limited results on workforce capacity. Such results may help CEG to better understand their short- and long-term ability to respond to strategic challenges relating to the retirement eligibility of the workforce.
Item 7.4  Leadership & Governance Outcomes / Scoring Range 50-65%

STRENGTHS

- **7.4a(5)** CEG shows positive trends for key measures of the organization's fulfillment of its societal responsibilities and support of its key communities, including reduction of NOx Emissions (Figure 7.4-11), reuse of Bottom Ash (Figure 7.4-12), and United Way contributions in contributions and leadership giving (Figures 7.4-13 and 7.4-14). These results reinforce CEG’s commitment to fulfilling societal responsibilities and support of key communities.

- **7.4a(4)** Three of five employee groups - Executives, Managers/Supervisors, and Exempt Employees indicate a positive perception of CEG’s ethics (Figure 7.4-6). Gas-Residential customers' perception (Figure 7.4-7) of CEG’s ethics shows generally positive trends, and Gas-Business customers' perception (Figure 7.4-8) indicates improving trends. Such perceptions of CEG's ethics are consistent with the core value of integrity.

- **7.4a(1)** There is a continual increase of information communicated to employees from 2003-2011 and exceed the benchmarks (Figure 7.4-1). These results indicate the leadership’s on-going commitment to communicating with its workforce and improving employee engagement.

OPPORTUNITY FOR IMPROVEMENT

- **7.4a(3)** There are no levels or trends to indicate relative performance on regulatory and legal requirements (e.g., ISO audits or any of the other regulatory agencies). A focus on such results may affirm CEG’s Vision to serve customers and communities with unparalleled excellence and integrity.

Item 7.5  Financial & Market Outcomes / Scoring Range 50-65%

STRENGTHS

- **7.5a(1)** CEG has favorable levels and trends of required cash flow. Figures 7.5-1 through 7.5-4 show debt service coverage for all product lines above minimum requirements. Figure 7.5-6 shows above breakeven EBITDA for the past three years. These results contribute to CEG's ability to achieve their Mission of sound financial management.

- **7.5a(2)** CEG indicates a 60% Gas market share which is 10% higher compared to the nation, and indicates a 50% Electric market share. Continuing this market share advantage assures sustainability and achieving its Mission to build and renew its businesses to remain competitive.

OPPORTUNITIES FOR IMPROVEMENT

- **7.5a(1)** CEG does not indicate trends or use comparisons on Bond ratings. Such results may allow an understanding of current performance against providers of similar products and services, and thus shed light on CEG’s ability to provide unparalleled excellence.

- **7.5a(1)** No comparative data is available for regulated operations EBITDA. Use of comparative data and results similar to service providers in other markets, (for example JEA) may provide CEG opportunities to evaluate its performance relative to other best-in-class organizations.
END OF FEEDBACK REPORT

It is TPE's goal that this feedback report provides your organization with actionable data and becomes a valuable tool in moving your organization forward. Please contact Al Faber at The Partnership for Excellence at (614) 425-7157 if you have questions regarding this report.

Thank you for your support of The Partnership for Excellence.
DATA REQUEST NO. 9: Please provide a copy of the limited feedback referenced on page 15, lines 4 – 6 of Mr. Lykins testimony.

RESPONSE:
See response to Data Request No. 8 above.

WITNESS:
Carey B. Lykins
DATA REQUEST NO. 10: Please describe to what extent Citizens’ operations are subject to review by the State Board of Accounts.

OBJECTION:
In addition to any applicable general objections set forth above, including but not limited to general objection nos. 3, 4, 5, 6, 8 and 10, Respondents object to this request on the following grounds. In the jurisdictional section of its March 19 Order in this Cause, the Commission cites Indiana Code Sections 8-1-2-68 and 8-1-2-69 as the basis for its investigative authority and the commencement of this proceeding. Section 68 addresses investigations of rates and charges, and Section 69 addresses investigations of service related issues. Neither section addresses investigations related to certain issues introduced by the OUCC in this Cause. Respondents’ submission of testimony responding to certain questions included in the Commission’s final issues list addressing issues introduced by the OUCC into this proceeding should not be construed as a waiver by or agreement of Respondents consenting to any further attempts by the OUCC to expand and unduly broaden the scope of this proceeding. Subject to and without waiving the foregoing objection, Respondents would refer the OUCC to Indiana Code Section 8-1-11.1-17.
DATA REQUEST NO. 11: Does CEG operate, own, or control any assets not located within the State of Indiana? If so, please describe and explain.

OBJECTION:
In addition to any applicable general objections set forth above, including but not limited to general objection nos. 6 and 8, Respondents specifically object to the reference to undefined term “CEG” as vague and ambiguous. See also objection to Data Request No. 3 above. Subject to and without waiving the foregoing objection, Respondents state that neither the Board nor the Authority operate, own or control any assets located outside the State of Indiana that are used and useful in connection with providing utility services to customers in Indiana and regulated by the Commission.
DATA REQUEST NO. 12: Please provide a copy of the 2013 quarterly reports for the internal controls accountability (ICA) program results.

RESPONSE:
Please see the attached document identified as OUCC DR - 3.12.

WITNESS:
Carey B. Lykins
Summary of Internal Auditing Activity

Audit Committee Meeting Review Date: August 21, 2013

 Desired Outcome: Informational/Background to update the Audit Committee

Outline:

I. Status of Current Projects
II. Update of 2012/2013 Audit Plan
   - Status of Planned Audits – Attachment A
   - Status of Current Risk Assessment

I. Status of 2013 Projects

A. IT COBIT (Control) Maturity Road Map Project Status
   The design portion of the project is complete. IA will be conducting the final design review in the fall. IT is developing their own review process to validate that processes are being executed as designed. IA will begin auditing in fiscal 2014.

B. Internal Controls Accountability (ICA)
   - As of August 8th, 19 of the 83 tests have been completed by the Business Process Owner (BPO). IA is reviewed the results, and all have been deemed effective.
   - The ICA Steering Committee has reviewed and approved the ICA Mission Statement and Charter.
   - Quarterly surveys for the 3rd should be completed by the middle of August.
   - Process Improvement – The quarterly certification letter has been revised to more appropriately reflect changes within CEG and the ICA program.

C. Enterprise Risk Management (ERM) Committee Meeting
   - The quarterly ERM meeting occurred on August 8, 2013.
   - Updates on risks (emerging risks, risk impact changes), validations of mitigation strategies, and additional mitigation strategies being implemented were provided and discussed by the committee members.
   - A process for developing a fraud detection program was presented during the meeting.
   - IA is working closely with legal counsel to identify enhancements to the ERM process.
   - The schedule for the Annual Enterprise Risk Assessment refresh is as follows:  
     - Risk Workshops – October and November (each area)
     - Please identify participants from your area
     - Update Prior Year Risks
     - Further identification of area fraud scenarios (new to ERM in 2013/2014)
- Identification of laws and regulations for area (new to ERM in 2013/2014)
- ERM Committee Risk Prioritization Meeting – Early December
- Identify key strategic risks for 2014
- 2014 Strategic objectives will be utilized as primary filter for determining the most critical enterprise risks
- Audit Director and Individual Board Member Meeting to discuss preliminary enterprise risks identified (December and January)
- Audit Director to present 2014 Enterprise Risks and Audit Plan to VP group (January 2014)
- Final Enterprise Risks and Audit Plan presented to the Audit Committee of the Board of Directors (February 2014)

D. Customer Billing Audit

The scope of the Customer Billing Audit has been determined. The scope extends over several departments and will include a review of some of the processes for customer billing and adjustments, customer billing systems (application and systems infrastructure), Customer Service operations, and miscellaneous billing, as it pertains to the customer billing process.

E. Human Resources - Employee Life Cycle Audit

The scope of the consulting engagement has been defined based upon risk. The scope includes the following processes: interviewing for open job positions, new employee onboarding training, new employee and current employee surveys, talent management (includes succession planning), and exit interviews.

F. Capital Planning & Engineering (CP&E)

The planning portion of this review has taken longer than anticipated due to the vast amount of processes inherent in capital planning and engineering. The magnitude of this project is similar to the IT control project which is a multi-year project.

Internal Audit is developing an RFP for a Forensic Examination of CP&E’s transactions. This will assist us in assessing where there are risks that we may not recognize at this time. The work will enable Internal Audit to better determine where there may be areas of weak controls.

G. Corporate Development

Internal Audit is currently participating in the following Corporate Development Projects:
- Westfield Water and Waste Water integration.
- Kinetrex Energy (LNG) – assistance with development of initial structure, policy, identification process and procedural needs.

H. Ethics Committee

- Ethics Committee will be meeting on September 17, 2013.
- The project plan, to evolve the ethics program, continues to be worked.
I. Other IT Projects

Internal Audit Director continues to participate in IT Governance Committees. Internal Director serves on the steering committee and auditors participate in validation of project plans (readiness) for the following large IT Projects.

- WAM (Asset Management)
- Unifier/P6 (project management and scheduler software for CP&E)
- SCADA
- EBS Upgrade (Financial and Human Resource)
- CIS Upgrade (Customer Service)

II. Status of 2013 Internal Audit Plan

- Status of Planned Audits – Attachment A
- Status of Current Risk Assessment
Audit Committee Meeting Review Date: May 15, 2013

Desired Outcome: Informational/Background to update the Audit Committee

Outline:
I. Status of Current Projects
II. Update of 2012/2013 Audit Plan
   - Status of Planned Audits – Attachment A
   - Status of Current Risk Assessment – Attachment B

II. Status of 2013 Projects
A. IT COBIT (Control) Maturity Road Map Project Status

   Information Technology (IT) and Internal Audit continue to work collaboratively to make adjustments to the project to ensure that the project will be successfully completed on time. While IT has experienced some delay with the consultants who are working on the IT Risk assessment, IT does not expect this to delay the overall project deadlines.

C. ProLiance

   CEG Audit Director continues to participate in a weekly CEG meeting regarding the ProLiance business. The Internal Audit Director has also been involved in validating some of the key strategies currently underway.

D. Internal Controls Accountability (ICA)
   - Annual Certifications have been completed.
   - ICA Steering team met on May 9, 2013

E. Enterprise Risk Committee Meeting
   - The quarterly ERM meeting occurred on May 2, 2013.

F. CEG Human Resource Review

   The status of the Human Resources Audits and Reviews are as follows:
   - Payroll Audit – has been issued with no significant issues noted.
   - The Pension and Benefits Review – The audit report issued. The only issue of note was regarding reconciliations and a remediation plan has been put into place and Audit will follow-up on the action plan later in calendar 2014.
• **Training Consulting Report** – has been issued. Human Resources (HR) will use the feedback from that consulting review to ensure that a well-designed corporate training process is in place. Internal Audit will follow-up with a validation audit in the next 6 to 12 months.

• **Talent Management Consulting Project** – Internal Audit is working with HR to change the scope of the consulting engagement to an employee life cycle project (interview, on-boarding, employee development, and separation).

G. Capital Planning & Engineering (CP&E)

Scoping is still underway. The magnitude of this project is similar to the IT control project which is a multi-year project.

H. Corporate Development

Internal Audit is currently participating in the following Corporate Development Projects.

- Westfield Water and Waste Water integration.
- Kinetrex Energy (LNG) – assistance with development of initial structure, policy, identification process, and procedural needs.
- ProLiance – Tracking of key risk associated with the current project and validation of mitigation plans.

I. Ethics Committee

- Ethics Committee met on April 22, 2013. It was determined that there were no issues that needed to be communicated to the board.
- The project plan, to evolve the ethics program, continues to be worked.

F. Other IT Projects

Internal Audit Director continues to participate in IT Governance Committees. Internal Director serves on the steering committee and auditors participate in validation of project plans (readiness) for the following large IT Projects

- WAM (Asset Management)
- Unifier/P6 (Project management and scheduler software for CP&E)
- SCADA
- EBS Upgrade (Financial and Human Resource)
- CIS Upgrade Customer Service

Internal Audit Director is participating as a team member on the Voice of the Customer project.

II. Status of 2013 Internal Audit Plan

- Status of Planned Audits – Attachment A
- Status of Current Risk Assessment – Attachment B
Summary of Internal Auditing Activity

Audit Committee Meeting Review Date: February 20, 2013

Desired Outcome: Informational/Background to update the Audit Committee

Outline:
I. 2013-2017 Strategic Audit Plan
II. 2013 Internal Audit Plan and Budget Review
III. 2013 Internal Audit Metric Results for 2013
IV. Status of 2012-2013 Projects

I. 2013-2017 Strategic Audit Plan

The strategic audit plan has been updated for 2013. Because the strategic audit document is large and key updates are included in this package as separate attachments, the strategic audit plan is not included but will be available as a handout at the meeting.

As a refresher, the strategic audit plan includes information regarding the approach to audit planning and correlation to the Enterprise Risk Management (ERM) process. The five year detailed audit plan can be found at the end of the strategic plan document. The components of the five year detailed audit plan include the following sections:

- **Risk Based Audits identified for 2013 (Attachment A)** - The ERM Risk Committee identified the critical risks CEB is facing in 2013. An extensive review was conducted by representatives from all areas. Each department head presented their top risks and risk treatment/mitigating strategies at the January ERM meeting. The ERM Risk Committee then discussed and prioritized the risks as a group.

- **Recurring Audits (Attachment A)** - Internal Audit reviewed the risks and identified the processes that should be included in the five year audit cycle and has "slotted" each process into a specific audit year.

- **Audit Strategic Projects (Attachment A)** - These consist of larger strategic audit projects that likely cover multiple years and are designed to improve the effectiveness and efficiency of the audit or ERM processes over time.

- **Audit Recurring Work (Attachments A)** - Monitoring, analytics and validations performed on a monthly, quarterly and annual basis.

II. 2013 Preliminary CEG Internal Audit Plan and Hourly Budget

The 2013 Internal Audit Plan is a subset of the strategic audit plan and is included as Attachment B. The 2013 Audit Plan is based on validating the adequacy of the mitigation strategies for the residual risks. A brief description of each slide is as follows:

- **Page 1** - represents the 2013 risk heat map (by number of risks) before a mitigation strategy is considered.

- **Page 2** - is the same heat map as documented in Page 1, after mitigation strategy is considered.
Page 3 & 4 - represents the top 27 risks, by name, for 2013 after mitigation is considered; the 2012 ranking is indicated on the left side of the page for comparison purposes (a dash indicates the risk was not identified in 2012 and is new for 2013).

Page 5 - represents the 22 highest inherent risks identified for 2013 (before any risk treatment is applied to the risk)

Attachment C represents the hourly budget by audit and auditor for the 2013 Internal Audit Plan.

III. Internal Audit Metrics Results for 2013

A. Internal audit score card is included as Attachment D. In addition, IA held the first of a series of strategic planning sessions on February 7th and is exploring the possibility of adding additional IA metrics in 2013.

IV. Status of 2012/2013 Projects

A. Integration Ongoing Activity Follow-up Report

At the December 2012 Audit Committee meeting, we provided a status report of continuing integration process activities. There are no significant updates. We are continuing the following:

- Construction Project Management Software (Unifier) – went live in December 2012. Internal Audit will include an evaluation of the software within the CP&E review work
- Director of Audit is participating in reconstituted IT Governance Steering Team
- Measurement of Synergies – Scheduled to audit in 2013
- Internal Audit will continue to participate in steering teams and report on readiness for all key IT projects including WAM (Work Asset Management), CIS (billing) Upgrade, Primavera (Project Scheduling), SCADA and Oracle/EBS (Enterprise Business System) upgrades.

B. IT COBIT (Control) Maturity Road Map Project Status

IT and IA continue to work collaboratively to make adjustments to the project to ensure that the project will be successfully completed on time. While IT has experienced some delay with the consultants who are working on the IT Risk assessment, IT does not expect this to delay the overall project deadlines.

C. ProLiance

- CEG Audit Director continues to participate in a weekly CEG meeting regarding the ProLiance business. Audit Director has also been involved in validating some of the key strategies currently underway.

D. Internal Controls Accountability (ICA)

- All control testing for 2013 has been completed and reviewed by Internal Audit with no significant issues noted.
- IA continues to work with IT via the COBIT Maturity project noted in "B" above. As the maturity controls project is completed, IA is working with IT to ensure that the new IT controls identified as key are included as part of the ICA program.
- All annual certifications are expected to be complete by the audit committee March 11, 2013.
- IA will continue to enhance the ICA program through 2013.
E. Enterprise Risk Committee Meeting

- The ERM meeting occurred on January 14, 2013.

F. CEG Human Resource Review

The status of the Human Resources Audits and Reviews are as follows:

- **Payroll Audit** – Audit is substantially complete. However, IA is looking some opportunities to develop some monitoring activities that could be included in the ICA process.

- **The Pension and Benefits Review** – The audit report is being written. There are no significant control weaknesses or anticipated findings to report, but there are several opportunities for process improvements. IA is looking at opportunities to develop monitoring to these processes that could be included in the ICA process.

- **Training Review** – Consulted with Human Resources personnel on training processes. New processes have been developed; Internal Audit is assisting with documentation of the processes. A draft report has been generated that identifies follow-up items later in 2013.

- **Talent Management Review** – Consulted with Human Resources personnel on talent management processes. Internal Audit is assisting with documentation of the process.

G. Capital Planning & Engineering (CP&E)

Documentation of the process understanding and scope development is continuing for this review.

H. Corporate Development

Internal Audit is currently participating in the following Corporate Development Projects.

- **Westfield Water and Waste Water integration.**
- **Kinetrex Energy (LNG)** – assistance with development of initial structure and policy and identification process and procedural needs

I. Ethics Committee

Ethics committee is scheduled to meet on February 13th. Any needed updates will be provided at the audit committee meeting.
Audit Committee Meeting Review Date: December 10, 2012

Desired Outcome: Informational

Outline:
I. Status of 2012 Projects
II. Enterprise Risk Committee Meetings (Annual Risk Assessment)
III. Ethics Program
IV. Internal Audit Metrics

I. Status of 2012 Projects

A. Integration Follow-Up
   - Measurement of Synergies — Scheduled to audit in August 2013
   - Fair Value Appraisal - The appraisal firm SAIC concluded its fair value analysis and provided its report in 2012. SAIC and Citizens concluded that the fair values of the Water and Wastewater systems were the respective consideration transferred for each. The final opening balance sheets are currently being audited by D&T.
   - Billing System Upgrade and Integration — Went live in October, IA issued a readiness report prior to go live. No significant issues noted. IA Director continues to participate in regular steering team meetings
   - Construction Project Management Software (Unifier) — scheduled to go live in December 17, 2012
   - Internal Audit continues to participate in IT Governance Steering Teams

B. IT COBIT (Control) Maturity Project Status

At the December 2011 Audit Committee meeting, Internal Audit (IA) provided an overview of Information Technology’s (IT’s) 2-year COBIT (Control) Maturity Model Project. The project was designed to address IT process maturity concerns. As of the August 2012 board meeting, IA reported that the project was at risk. Since the August meeting, IT and IA have worked collaboratively to make adjustments to the project to ensure that the project will be successfully completed. IA prepared a COBIT Maturity project status update memo that was included with the November 2012 board documents. No significant changes to the status of the project have occurred since the November 2012 memo.

C. Internal Controls Accountability (ICA)

Internal Audit assumed responsibility for the ICA process as of fiscal year 2012. Current year testing includes the following:
• As of 11/19/12, 88 out of 94 tests have been completed by the Business Process Owner (BPO) and audit has currently evaluated all of the testing of non-IT controls with no exceptions. The IT tests (22) are currently being evaluated.

• Of the 6 tests not yet received, two are IA tests that cannot be conducted until the financial audit is complete (certifications and annual assessment). The remaining tests are accounting tests that have not yet been completed due to dependencies with the yearend audit.

• The ICA Steering Committee Charter and Mission Statement are scheduled for review and approval at the December 5, 2012 meeting.

• Process Improvement - The ICA Survey has been converted into an electronic survey using the SharePoint application. The improvement has decreased the time needed to distribute and collect the surveys, as well as, provide a more efficient and effective way for employees to respond.

D. CEG Strategic Sourcing Audits

Results of Strategic Sourcing Audits are as follows:

Contract Management Audit has been completed and the control environment has been assessed as adequate with no significant concerns noted. However, audit did observe that many of the contract management processes are new, and while audit is comfortable with the design of the control processes, several of the processes have not had sufficient time/history to allow validation that the processes are working as designed. Therefore, IA will follow-up by June 30, 2013 and perform testing of the following processes:

• Process for ensuring that contracts assigned as a result of the Indianapolis Water and Waste acquisition adhere and/or are converted to CEG standards as appropriate.

• The Capital Planning and Engineering (CP&E) group have developed a new capital project change control process that has not yet been approved and implemented. Once approved, Supply Chain plans to adopt the new process. (This process is also within the scope of IA’s CP&E review work that started in November 2012)

• Supply Chain is beginning the process to implement new Oracle software (iSupplier). This software should enhance the effectiveness and efficiency of several Supply Chain processes. IA will provide our standard control consulting services for this project.

Additional Actions plans of note include the following:

• Sourcing Management to work with Human Resources to ensure that procurement training is included in the HR on-boarding process to make certain that all employees receive timely and adequate procurement training.

• Sourcing Management will work with IT to explore automated contract routing options with a goal toward improving efficiency and increasing the accuracy of the contracts.

• A process will be implemented to monitor the procurement system (SmartSource) “audit log” to ensure changes made to the procurement system records are properly authorized.

Supply Chain Vendor Management and Supplier Diversity Audit has been completed and the control environment has been assessed as adequate with no significant concerns noted. However, audit did observe that many of the Supply Chain Vendor Management and Supplier Diversity processes are new, and while audit is comfortable with the design of the control processes, several of those processes have not had sufficient time/history to allow validation that the processes are working as designed. Therefore, IA will follow-up by June 30, 2013 and perform testing of the following processes:

• Vendor requalification process

• Supplier Diversity Utilization Compliance Tracking
Additional Action plans of note include the following:

- Sourcing Management will develop a process to standardize the review/record-keeping of diversity vendors and the recertification of those vendors.
- A process will be implemented to monitor the procurement system (SmartSource) "audit log" to ensure changes to vendor access are properly authorized.

**E. CEG Human Resource Review**

The status of the Human Resources Audits and Reviews are as follows:

- **Payroll Audit** - fieldwork has been completed and results of this review will be discussed with management within the next two weeks. No significant control weaknesses are anticipated at this time.
- **The Pension and Benefits Review** - is in process and expected to be completed by year end. At this time there are no significant control weaknesses or anticipated findings to report, but there are several opportunities for process improvements.
- **Training Review** - fieldwork has been completed and results of this review will be discussed with management within the next two weeks. No significant control weaknesses are anticipated at this time.
- **Succession Planning Review** - is in progress and will be completed by the end of calendar Year 2012.

**F. Capital Planning & Engineering (CP&E)**

The CP&E controls consulting review project kicked off in Mid November and is in the background and planning phase.

**G. ProLiance**

CEG Audit Director continues to participate in a weekly CEG meeting regarding the ProLiance business.

**H. Fiscal Year End work** – Internal Audit has conducted our standard fiscal year-end reviews of Pension and Incentive Compensation. No significant concerns were noted.

**I. IT Steering Team Activity** – Internal Audit continues to participate in all three monthly IT Steering Committees and the IA Director is a member of several high priority IT Project Steering Committees.

**II. Enterprise Risk Management (ERM) Activities**

- **The following ERM activities have been completed or arc planned:**
  - November/December 2012 – Division/Department Workshops
  - 2nd week in January 2013 – ERM working session to identify top risks strategic business risks, prioritize risks.
  - 3rd week in January 2013 – Audit Director risk discussions with Board Members
  - 4th week in January 2013 – Audit Director to present risk picture to CEG Vice Presidents
  - 2nd week in February 2013 – Present final risk assessment results to Audit Committee of the Board of Directors
B. ERM Committee Meetings
   • Meetings were held on August 24, 2012 and November 12, 2012.
   • Agendas are attached as Attachment A and B.

III. Ethics Program
A. Quarterly Ethics committee meeting was held on November 3, 2012. All members of the Committee were present. The committee discussed hotline activity (there were no reports) along with complaints that were generated outside the hotline (committee members reported that they were not aware of any additional complaints).

B. Process Improvement
   • The Code of Conduct quarterly reporting has been automated. This has resulted in significant efficiencies in the administration of this processes and the ability to effectively manage the results.

IV. Internal Audit Metrics
A. Status of Outstanding Audit Action Plans – All actions plans from previous audit projects are on schedule.

B. Status of Key Mitigation Strategies Validated – When ERM was implemented in 2010, IA committed to ensuring that 20% of the key mitigation strategies identified in the mitigation strategy population would be validated each year, with the goal of 100% every five years beginning in 2011. However, in order to focus on the integration, the start of this process was deferred to 2012. It appears that IA that this metric will be met or exceeded for calendar 2012. This metric will be calculated after 2012 calendar year end.
DATA REQUEST NO. 13: Mr. Lykins described the process and procedures utilized by CEG to ensure its operations and governance comply with any transparency requirements of the trust. (p. 16)

a. Please identify all transparency requirements of the trust. For each, state the source of the requirement.

b. Please identify and provide a copy of all written policies or procedures or other guide to any employees of CEG with respect to ensuring required or desired transparency.

OBJECTION:
In addition to any applicable general objections set forth above, including but not limited to general objection no. 8, Respondents specifically object to the use of the term “all” as overly broad and unduly burdensome. Respondents further object to this request on the grounds that it is vague and ambiguous and to the extent it calls for a legal conclusion. Subject to and without waiving the foregoing objections, Respondents respond as follows.

RESPONSE:

a. Mr. Lykins' testimony regarding transparency focused on transparency in the context of access to public records, because the Commission’s question refers to such (Issue 1.4.). In addition, however, there are a number of reporting and other requirements that could be considered to be related to “transparency.” See, for example, Indiana Code Section 8-1-11.1-1 et seq., Section 8.08 of the Water APA and Section 8.07 of the Wastewater APA.

b. Respondents rely on the applicable provisions of Indiana’s Access to Public Records Act and Open Door Law (Ind. Code §§ 5-14-3-1 et seq.) as well as publications made available by Indiana’s Public Access Counselor as guidance for compliance with the transparency requirements imposed by those laws. Those materials are available on the Public Access Counselor’s web site at http://www.in.gov/pac.
DATA REQUEST NO. 15: How many public records requests were received in 2013?

RESPONSE:
Citizens did not maintain a formal public records tracking procedure in 2013.
DATA REQUEST NO. 16: Please provide a copy of all public records requests received in 2014 to date. For each, please provide a copy of the responsive communication. (Note: the OUCC does not seek in this request a copy of the actual documents provided.)

RESPONSE:
Please see the attached document identified as OUCC DR - 3.16.
Summary of Public Records Requests and Responses 2014

Request on July 6, 2014:
Verbal request from Clarke Kahlo for minutes of previous Water and Wastewater Resources Executive Committee meetings.

Response on July 11, 2014
From: Considine, Daniel J.
Sent: Friday, July 11, 2014
To: Clarke Kahlo
Subject: FW: Request: Meeting Minutes
Importance: High
Clarke:
Per your request, I have attached are the draft minutes of the following meetings:
• June 18, 2014 Water Resources Executive Committee
• June 18, 2014 Wastewater Resources Executive Committee

Please note these are draft minutes and will not be presented for approval until their next scheduled meeting on Wednesday, November 19, 2014.

Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254

Request on July 6, 2014
Verbal request from Clarke Kahlo for Storrow Kinsella Report on Central Canal

Response on July 17, 2014
From: Considine, Daniel J.
Sent: Thursday, July 17
To: Clarke Kahlo
Subject: Request for Storrow Kinsella Report
Importance: High
Attached are the remaining documents generated by Storrow Kinsella. I am guessing you saw the story at the link below.


Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254
Request on July 1, 2014
Verbal request from Clarke Kahlo for minutes of CICEO Board Meeting.

Response on July 3, 2014
Verbal response from Dan Considine that Citizens does not have the minutes, but would ask Jill Hoffman, Upper White River Watershed Alliance, to provide.
On 7/3/14, Jill Hoffmann <jhoffmann@empowerresults.com> wrote:
> Hey Clark, I rounded them up from Jennifer. Here ya go!
> Motives are in the right place here ~ holistic view of water needs and
> water planning. It’s early in the process. The scope of any sort of
> planning effort is still evolving, not to mention funding would need
> to be secured (related to the currently unknown scope). We are in the
> process of using surveys to gather info about municipal staff’s
> knowledge of various water issues and their priorities, as well as some of the key agencies’
> perspectives at this point. The effort needs a little structure before
> discussions go wider (which they inevitably will).
> Rest assured, Mounds Reservoir is not driving this initiative, its
> broader than that. I’ll keep you up to date and appreciate your dedication.
> Jill
> Jill Hoffmann
> Empower Results, President
> White River Alliance, Exec. Director
> C: 317-752-7110

Request on May 14, 2014
Name of Requesting Party: Clarke Kahlo
Company (if applicable):
Address: 4454 Washington Boulevard
City: Indianapolis
State: IN
Zip Code: 46205
Phone: 3172836283
Identify with Reasonable Particularity the Record Being Requested:
Hello,
This requests a digital copy of Citizens Waters’ executed grant agreement and the accompanying scope of services which was apparently recently finalized with the Upper White River Watershed Alliance.
Thank you.
Clarke Kahlo

Response on May 15, 2014
From: Considine, Daniel J.
Sent: Thursday, May 15, 2014
To: Clarke Kahlo
Subject: UWRWA contract
Here you go.
Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254

Request on May 1, 2014
Name of Requesting Party: Matthew Fernholz
Company (if applicable): Cramer, Multhauf & Hammes
Address: 1601 E. Racine Ave., Suite 200
City: Waukesha
State: WI
Zip Code: 53186
Phone: 262-542-4278

Identify with Reasonable Particularity the Record Being Requested: All contract information that Citizens Energy has between S-K JV and RMS, Inc. in regards to the Deep Rock Tunnel Connector Project. In addition, I would like to request all bid item numbers with descriptions of scope of work and total price, along with any addenda. We have a copy of the August 11, 2011 document submitted by S-K JV, but want to know if the bid items have been amended since the project began. Thank you.

Partial Response on July 9, 2014
From: Considine, Daniel J.
Sent: Wednesday, July 9, 2014
To: Matthew Fernholz
Subject: Request
Importance: High

Mr. Fernholz:
The files you have requested are at the attached link in Box.
Link to documents:
https://www.dropbox.com/sh/vuxach6dp6d81bz/AAAy3cICM4nDJXeQzijkbQdiTa

Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254
Request on April 21, 2014

Name of Requesting Party: Desi Clinton
Company (if applicable):
Address: 1930 Bechtle Rd
City: Indianapolis
State: IN
Zip Code: 46260
Phone: 317-529-0106

Identify with Reasonable Particularity the Record Being Requested: Record of reported residential complaints and the results of any investigations of said complaints of flooding and sewer backup from residents of the North Willow Farms neighborhood or the HOA for North Willow Farms, Indianapolis, IN by Citizens Energy Group or its predecessor company for the period between 2000 and 2014. Any legal actions and the adjudication of said actions filed by the HOA North Willow Farms or individual residents of the North Willow Farm neighborhood vs. Citizens Energy or its predecessor.

Response on June 6:
Records no longer requested after further consultation with the customer.

From: Dillard, James
Sent: Friday, June 06, 2014
To: Considine, Daniel J.
Subject: RE: Desi Clinton

Dan, There does appear to be a problem with the sewer at or near his lateral connection. We are investigating and I have arranged for Ron Sanders to give Mr. Clinton an update on Monday.

Jamie
April 16, 2014

Dear Sir or Madam:

This is a request under the Freedom of Information Act (FOIA), 5 U.S.C. § 552, for documentation regarding any water shut offs at the above stated address during the month of April, 2013.

If there are any fees for processing these records please inform me before filling my request. If you deny any or this entire request, please cite each specific exemption you feel justifies the refusal to release the information and notify me of appeal procedures available to me under the law.

If you have any questions about this request, you may contact me by telephone at (513) 639-5340.

I look forward to your reply within 20 workdays (excluding Saturdays, Sundays and legal holidays), as the statute requires.

Thank you for your consideration of this request.

Very truly yours,

[Signature]

[Address]

[Telephone]

[Facsimile]

Travelers Staff Counsel is not a partnership or a professional corporation. All attorneys are employees of The Travelers Indemnity Company and its Property Casualty Affiliates and Subsidiaries.
Response on July 30, 2014

From: Toppen, Lauren
Sent: Wednesday, July 30, 2014 2:45 PM
To: 'dmay@travelers.com'
Subject: Request Re: 7475 North Pennsylvania Ave. Indianapolis, IN 46240 Erlinger HNK1540

Mr. May:

In response to your request regarding any water shut offs at 7475 North Pennsylvania Street, Indianapolis IN 46240 during the month of April 2013, please find the attached documents, which reflect the outages that occurred in that area during that timeframe.

If I can be of additional assistance, let me know.

Regards,

Lauren

Lauren R. Toppen
Counsel
Citizens Energy Group
2020 North Meridian Street
Indianapolis, Indiana 46202
317.927.4482 (o)
317.750.0646 (c)
Request on March 28, 2014
Name of Requesting Party: Josh Cwikla
Company (if applicable): Citadel Environmental Services
Address: 1725 Victory Blvd
City: Glendale
State: CA
Zip Code: 91201
Phone: 818-246-2707

Identify with Reasonable Particularity the Record Being Requested: All available documentation relating to the well is identified as IGS ID: 126554, Well Number CG-57, located along what is now S. Ronald Reagan Prkway, Plainview IN. The well is noted as presumed plugged status. Please confirm this well has been plugged to current standards with associated documentation. Also, please confirm receipt of this request. Thank you for your time on this matter.

Response on April 7, 2014
From: Public Records Request Form
Sent: Monday, April 07, 2014
To: Joshua Cwikla
Subject: RE: Public Records Request

Mr. Cwikla:
This is an oil or gas well listed under the oil and gas side of DNR. This is not a well that has anything to do with our water or energy operations.

Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254

Verbal request from Clarke Kahlo for document showing rate impacts by rate class as result of recent water rate increase

Response on April 1, 2014
From: Considine, Daniel J.
Sent: Tuesday, April 01, 2014
To: Clarke Kahlo
Subject:

Clarke:
Attached is a document that shows the various water rate classes and impacts. On the residential class, line 3 (3,750 gallons) would be the average residential customer. Lines 5 and 6 would be higher water
users, presumably those who irrigate and/or have a pool. Korlon Kilpatrick, our director of rates, will be presenting at the next Water TAG meeting on April 16.

Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254

Request on March 20, 2014
From: cjbaniszewski@gmail.com
Subject: Public Records Request
Date: 03/20/2014 at 03:08 PM (GMT -5) from 67.59.58.202
Name of Requesting Party: Carrie Baniszewski
Company (if applicable):
Address: 1610 Spruce St
City: Indianapolis
State: IN
Zip Code: 46203
Phone: 317-518-2289
Identify with Reasonable Particularity the Record Being Requested: I am requesting a copy of your policies and procedures for customer service reps as well as in the field employees, specifically regarding transfer of service requests AND inability to access a meter.
Thank you

Response on March 25, 2014
From: Considine, Daniel J.
Sent: Tuesday, March 25, 2014
To: Carrie Baniszewski
Subject: RE: Public Records Request
Contact Center Associates - place orders on requested date for Move-In, Move-out for customers
Customer Field Services - if unable to access meter will cancel the order as a CGI (can't get in), customer will have to request an additional order to have service started in their name

4.4 CORRECTION OF ERRORS
When an error is discovered in any billing or when billing is omitted, the Utility may adjust such error to the known date of error, but in any event within not more than twelve (12) Months from the date of such billing. Whenever it is discovered a Meter is not recording within the limits of accuracy as prescribed by the I.U.R.C. Rules, an adjustment of the individual billings shall be made for a period of one-half of the time elapsed since the previous Meter test, or one year, whichever period is shorter.
5.6 PROVIDING SPACE FOR EQUIPMENT

The End-Use Customer shall provide a suitable space satisfactory to the Utility for the Meters, regulators, and other equipment necessary to provide Gas Delivery and/or Gas Supply Services. Said space shall be readily accessible to employees of the Utility, and shall be kept free of foreign materials and maintained in a sanitary condition by the End-Use Customer.

7.2.3 The End-Use Customer shall provide Utility's employee or agent access to the End-Use Customer's or other users' Premise at all reasonable hours, and at any time in the event of an emergency, to inspect, read, repair, or remove its Meters and other property, and to inspect the appliances and piping installed for connection or connected to the Gas Service Line on the End-Use Customer's Premise.

Request on March 14, 2014

From: m.swinford@sbcglobal.net
Subject: Public Records Request
Date: 03/13/2014 at 11:45 PM (GMT -5) from 76.240.195.58
Name of Requesting Party: Michael Swinford
Company (if applicable):
Address: 608 S Pass St.
City: Chesterfield
State: IN
Zip Code: 46017
Phone: 765.378.0643

Identify with Reasonable Particularity the Record Being Requested: Feb 19 2014 monthly meeting presentation to Service Advisory Board. Topic: demand for future water supply in central Indiana.
Would prefer this info be put online for public access. Or be in digital format. NOT paper copy.
Is there a cost $$$ for this.
This info appears to conflict with a DLZ engineering firm you hired. In DLZ report, CW will be short of water and Anderson IN, Mounds Lake reservoir must be built by year 2020.

Response on March 17, 2014

From: Public Records Request Form
Sent: Monday, March 17, 2014
To: m.swinford@sbcglobal.net
Subject: RE: Public Records Request
Mr. Swinford:
Here is the presentation you requested.
Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254
Request on March 3, 2014

Verbal request from Clarke Kahlo for copy of SAB agreement with DLZ and amount Citizens pays SAB each year.

Response on March 15, 2014:

From: Considine, Daniel J.
Sent: Saturday, March 15, 2014
To: 'Clarke Kahlo'
Subject: Response to Your Public Information Request

Hi Clarke:

This is in response to your public records request. Attached is a copy of the SAB agreement with DLZ. We pay for the SAB’s professional services (mostly legal and engineering) in an amount not to exceed $150,000 per year. The SAB and DLZ do not provide us with performance reports or budgets. Rather, we receive invoices from DLZ for payment.

Sorry again that this took a while to get to you.

Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254

Request on February 25, 2014

Name of Requesting Party: David Williams
Company (if applicable):
Address: 1520 East Riverside Drive
City: Indianapolis
State: IN
Zip Code: 46202
Phone: 317-709-5290

Identify with Reasonable Particularity the Record Being Requested: 1. All projects on which TSW Utility Solutions has been a prime contractor, a subcontractor, or has worked in any other capacity from 2011 to the date of this request - February 25, 2014. This would include any current projects on which TSW has already been selected to work in any capacity.

Response on March 31, 2014

From: Public Records Request Form
Sent: Monday, March 31, 2014
To: David Williams
Subject: RE: Statue of Public Records Request

Mr. Williams:
Attached is a spreadsheet that should provide the information you requested.

Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254
February 24, 2014

VIA REGULAR MAIL
Citizens Water Department of Public Utility
Attn: FOIA Coordinator
1220 Waterway Blvd.
Indianapolis, IN 46202

Re: FREEDOM OF INFORMATION ACT REQUEST

Docket No.: UNN-L-3230-08
CD File No.: S2350-00001

Dear Sir/Madam:

Our office represents various defendant insurers in the above referenced matter pending in New Jersey state court. We present this Freedom of Information Act request seeking information pertaining to the presence of atrazine in the water district for the Citizens Water Department of Public Utility, Indiana.

Specifically, under the Indiana Open Door Law, IC 5-14, we are requesting an opportunity to obtain copies of the public records that address the following topics:

1. Any and all documents relating to water testing for atrazine of raw and/or finished water, performed by or on behalf of the Citizens Water Department of Public Utility and/or its predecessors and/or related entities including, but not limited to, documents relating to the Atrazine Monitoring Program.

2. Any and all documents relating to fines or penalties levied by or against the Citizens Water Department of Public Utility related in any way to atrazine.
3. Any and all documents relating to any investigation by federal or state environmental agencies regarding atrazine and the Citizens Water Department of Public Utility;

4. Any and all documents regarding efforts of the Citizens Water Department of Public Utility or its predecessors to eliminate, reduce or limit the presence of atrazine in the water supply, including but not limited to studies and expenses;

5. Your complete claim form and file submitted with regard to the class action litigation involving Syngenta Crop Protection, Inc., including, but not limited to, completed forms, claim submission materials and substantiating documents.

The Indiana Open Door Law allows for a response time of seven days. If access to the records we are requesting will take longer than this amount of time, please contact us with information about when we might expect copies of the requested records. If any requested documents or portions of such documents are withheld on the basis of a claim of privilege, please identify each document or portion withheld and the privilege asserted.

We agree to pay all reasonable fees in connection with your response to this request, as specified in the Indiana Open Door Law. Please contact the undersigned so that we may determine whether we would elect to receive all the requested documents and then select those we wish to have copied. To the extent the information can be provided electronically, it would be our preference to receive the materials in this fashion.

If you should have any questions, please advise us immediately. Thank you in advance for your anticipated assistance and cooperation.

Very truly yours,
COUGHLIN DUFFY LLP

[Signature]

Drew C. Long
Request on Feb. 24, 2014

From: rockiey@att.net
Subject: Public Records Request
Date: 02/24/2014 at 09:08 PM (GMT -5) from 76.238.161.148

Name of Requesting Party: David Del Vecchio
Company (if applicable):
Address: 244 Pineview Drive
City: Mooresville
State: IN
Zip Code: 46158
Phone: 3178341140

Identify with Reasonable Particularity the Record Being Requested: Capitol Machine Co.
2801 Roosevelt Ave
Indianapolis, In 46218-0310
Carbon monoxide gases. Need the parts per million reading. I was taken to the Emergency room at IU Methodist for poisoning on 2/7/2014 and spent 9 hour there.
I need this for my insurance company.
Please email me when I may pick this up.
Thank You,
Sincerely,
David Del Vecchio

Response on March 1, 2014

From: Public Records Request Form
Sent: Saturday, March 01, 2014
To: 'rockiey@att.net'
Subject: RE: Public Records Request

Mr. Del Vecchio:
Here is the information you requested

Request on February 19, 2014

From: bart.brown@comcast.net
Date: 02/19/2014 at 02:10 PM (GMT -5) from 209.117.29.134
Name of Requesting Party: Bart Brown
Company (if applicable):
Address: 6434 Quail Creek Blvd
City: Indianapolis
State: IN
Zip Code: 46237
Phone: 317-430-9540

Identify with Reasonable Particularity the Record Being Requested: In regards to your POTW
Pretreatment Program 1) a list of "Significant Industrial Users" (SIU's) that discharge to your plants; 2) a list of SIU's that perform pretreatment and the pretreatment standards; 3) a written description of your surcharge program if it already exists.

Response on March 3, 2014
From: Considine, Daniel J.
Sent: Monday, March 3, 2014
To: Bart Brown
Subject: Request
 Importance: High

Mr. Brown:
Please see attached the list of Significant Industrial Users, organized by source category, regulated by Industrial Pretreatment Permits by CWA Authority, Inc.
The rate for wastewater disposal are contained in the Terms and Conditions of service which can be found at http://www.citizensenergygroup.com/ARates.aspx.
For specific information about the surcharge program, please visit http://www.citizensenergygroup.com/pdf/Rate-Wastewater.pdf.

Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-92S4

Request on February 11, 2014
Verbal request from Clarke Kahlo for water planning presentation

Response on February 19, 2014
-----Original Message-----
From: Considine, Daniel J.
Sent: Wednesday, February 19, 2014 7:00 PM
To: Clarke Kahlo
Subject: Fwd: Request for an e-copy of your Integrated Water resources planning slides from the SAB

Here you go Clarke.....
Mr. Carey B. Lykins, CPA
President and Chief Executive Officer
Citizens Energy Group
2020 N. Meridian Street
Indianapolis, IN 46202

Re: Request under the Indiana Access to Public Records Act, Indiana Code § 5-14-3-1 et seq.

Dear Mr. Lykins,

Under the Indiana Access to Public Records Act, Indiana Code § 5-14-3-1 et seq., I am requesting to inspect or obtain copies of Citizen Energy Group public records regarding fundraising commitments to defeat a legislative matter pending before the Indiana General Assembly. I request copies of records, memorandum, emails, diary entries, time sheets, caterer records, communications between and among board members, communications between and among officers, board member and employees regarding your commitment to raise financial support to defeat, amend, delay or block passage of a marriage definition amendment to Indiana's State Constitution—on behalf of Freedom Indiana or any other third party or parties. This request specifically includes, but is not limited to copies of documents consisting of or related to:

1. correspondence to Mr. Kevin Breniger and Mr. Mark Miles regarding any fundraising event (for the purpose described above) sponsored by Citizens Energy Group, at any location, at any time, but specifically during the Fall of 2012;

2. invitations to individuals to come to Citizens Energy Group for discussions and, or fundraising events related to the marriage definition amendment before the Indiana General Assembly; any fundraising activities for Freedom Indiana, the Human Rights Campaign, or other organizations affiliated with, or funding any one of them;

3. communications of any type, consisting of or related to, fundraising solicitations from any Citizens Energy Group board member, officer, employee, vendor,
Carey B. Lykins, CPA
President & Chief Executive Officer
Citizens Energy Group
January 23, 2014

contractor, or retiree regarding support, financial support and or volunteer efforts for Freedom Indiana, the Human Rights Campaign, or other groups that have taken a position on the marriage definition amendment pending before the Indiana General Assembly;

4. cost estimates of employee time, staff time, letterhead, caterer contracts, refreshments, meals, postage, and other expenses related to fundraising or seeking support to defeat the marriage definition amendment pending before the Indiana General Assembly;

5. communications, including, but not limited to, letters, memorandums, and emails, diary entries, meeting notes, or minutes that chronicle any financial commitment that Mr. Lykins has made;

6. any communications Mr. Lykins has made in his capacity as an officer of, or using the resources of, Citizens Energy Group related to fundraising—specifically, we request copies of any records detailing a commitment to raise $15 million dollars;

7. agenda items and guest lists—including full contact information for any and all invitees—and communications by Mr. Lykins for the purpose of raising funds to defeat or amend or block the Marriage Amendment currently pending before the Indiana General Assembly;

8. any documents that state how Citizens Energy Group—a nonprofit public utility with the avowed purpose of providing its customers with the lowest possible energy costs in Marion County—is served by Mr. Lykins's political activities to raise millions of dollars to defeat the marriage amendment currently pending before the Indiana General Assembly; and

9. records of any request for a meeting, any actual meeting, and all notes or minutes detailing or summarizing any meeting involving Mr. Lykins and Indiana House Speaker Brian C. Bosma, including, but not limited to, the dates, topics, and outcomes of any such meetings.

If there are any fees for searching or copying these records, please inform me if the cost will exceed $150.00. However, I would also like to request a waiver of all fees in that the disclosure of the requested information is in the public interest and will contribute significantly to the public’s understanding of the operation of this public utility. This information is not being sought for commercial purposes.

The Indiana Access to Public Records Act requires a response time within seven business days. If access to the records I am requesting will take longer than seven
Carey B. Lykins, CPA  
President & Chief Executive Officer  
Citizens Energy Group  
January 23, 2014

days, please contact me with information about when I might expect copies or the ability to inspect the requested records.

If you deny any or this entire request, please cite each specific exemption you feel justifies the refusal to release the information and notify me of the appeal procedures available to me under the law.

Thank you for your anticipated cooperation.

Sincerely,

Michael J. Cork  
Bamberger, Foreman  
Oswald & Hahn, LLP

MJC  
Certified Mail No. 7003 1010 0002 4711 4027
May 5, 2014

Michael J. Cork
Bamberger, Foreman, Oswald & Hahn, LLP
201 N. Illinois St.
Suite 1225
Indianapolis, IN 46204

Re: March 14, 2014 Narrowed Request for Public Records

Dear Mr. Cork:

Thank you for your e-mail of March 14th narrowing the scope of your January 23, 2014 request to the following:

"correspondence to Mr. Kevin Brinegar and/or Mark Miles regarding any fundraising event to raise financial support to defeat, amend, delay, or block passage of a marriage definition amendment to Indiana's State Constitution. This includes correspondence on behalf of Mr. Lykins, Citizens Energy Group, Freedom Indiana, or any other party(s), regarding a fundraising event sponsored by Citizens Energy Group, at any location. Please provide responsive information created or received during the period from June 1, 2012 through December 31, 2012."

We have completed the search of our records and have found no responsive records "regarding any fundraising event to raise financial support" concerning an amendment to Indiana's constitution on the subject of marriage equality. Although not responsive to your request, our search did find the enclosed correspondence concerning a no-charge, educational reception and discussion regarding the social, public health, and economic effects of a ban on same-sex marriage held at Citizens Energy Group ("CEG") on July 25, 2012. Please be advised, because these documents are not responsive to your request, we are not obligated to produce them, but have chosen to do so in this instance only to provide information that will hopefully clarify the nature of the event held at CEG.

Please contact me if you have any questions.

Very truly yours,

Lauren Toppen

Enclosures

Cc: Jennett M. Hill, Senior VP & General Counsel
Request on January 9, 2014
From: anne4b@gmail.com
Subject: Public Records Request
Date: 01/09/2014 at 10:54 AM (GMT -5) from 63.250.70.211
Name of Requesting Party: Anne B.
Company (if applicable):
Address: 8162 Round Hill Ct.
City: Indianapolis
State: IN
Zip Code: 46260
Phone: 3172540718

Identify with Reasonable Particularity the Record Being Requested: I'm a college student doing a research project on domestic partner benefits in Indiana. I am wondering, does Citizens Energy Group provide benefits to domestic partners of its employees? If so, what benefits does it provide? I would appreciate a citable document along with an answer. Hope to hear back soon! Thanks!

Response on January 13, 2014
From: Considine, Daniel J.
Sent: Monday, January 13, 2014
To: anne4b@gmail.com
Subject: FW: Public Records Request

Yes, we do provide benefit for domestic partners. All benefits that are available to married employees are available to domestic partners. See details attached.

Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254

Requests on January 4, 2014
Verbal requests from Clarke Kahlo for flood maps from possible dam breach in Broad Ripple (written request previously); cost estimate for a regional reservoir; and 2014 schedule of Service Advisory Board meetings.

Response on January 9, 2014:
From: Considine, Daniel J.
Sent: Thursday, January 09, 2014
To: Clarke Kahlo
Subject: Public Information Requests

Clarke:
Here are some responses:

• Still working on your requests for the maps
- Cost or study about a regional reservoir? We have not done a feasibility study, but in our long-range water planning we do have an estimate that a regional reservoir would likely cost about $400 million.
- Schedule for SAB meetings:

Service Advisory Board 2014 Meeting Schedule
1220 Waterway Blvd
Café Conference Dining Room
Tuesday, January 21, 2014 5:00 pm – 6:00 pm
Tuesday, February 18, 2014 5:00 pm – 6:00 pm
Tuesday, March 18, 2014 5:00 pm – 6:00 pm
Tuesday, April 15, 2014 5:00 pm – 6:00 pm
Tuesday, May 20, 2014 5:00 pm – 6:00 pm
Tuesday, June 17, 2014 5:00 pm – 6:00 pm
Tuesday, July 15, 2014 5:00 pm – 6:00 pm
Tuesday, August 19, 2014 5:00 pm – 6:00 pm
Tuesday, September 16, 2014 5:00 pm – 6:00 pm
Tuesday, October 21, 2014 5:00 pm – 6:00 pm
Tuesday, November 18, 2014 5:00 pm – 6:00 pm
Tuesday, December 16, 2014 5:00 pm – 6:00 pm

Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254

Request on December 26, 2013
Name of Requesting Party: Clarke Kahlo
Company (If applicable):
Address: 4454 Washington Boulevard
City: Indianapolis
State: IN
Zip Code: 46205
Phone: 3172836283
Identify with Reasonable Particularity the Record Being Requested: This is to request a copy of the inundation area maps (resulting from a catastrophic dam failure of Morse and Geist reservoirs which CW’s consultant A.J. Fricke referenced in his presentation at the 12-18-13 TAG meeting. The potentially affected downstream neighborhoods/residential areas were not specifically mentioned
in the discussion, but surely there are quite a few. Any notification system for a dam-failure incident or emergency should include provisions to maximize neighborhood notification/alert. For instance, many neighborhood organizations operate list-serves which could augment media generated notifications. Thank you.

Response on January 31, 2014
From: Considine, Daniel J.
Sent: Friday, January 31, 2014
To: Clarke Kahlo
Subject: Requests
Importance: High
To: Clarke Kahlo
Subject: Response to Your Request for Public Records from Citizens Energy Group

Hi Clarke:

This is in response to your December 26, 2013, request for “a copy of the inundation area maps resulting from a catastrophic dam failure of Morse and Geist reservoirs which our consultant A.J. Fricke referenced in his presentation at the 12-18-13 TAG meeting.” First, sorry it took us awhile for us to resolve this request.

As required by IC 5-14-3-4.4(b)(1), we are informing you that your request is being denied pursuant to IC 5-14-3-4(b)(19), because the maps provide the following information, disclosure of which would have a reasonable likelihood of threatening public safety by exposing vulnerability to terrorist attack:

- the size of the area that will be impacted if the dam were to fail from certain events, including sabotage;
- the contents of the impacted area (e.g. hospitals, schools, etc.); and
- how long it would take before the affected areas are impacted by a breach.

Please contact me if you have any additional questions.

Dan Considine
Manager, Corporate Communications
Citizens Energy Group
Office: 927-4718
Cell: 407-9254

\[citizens\]
DATA REQUEST NO. 17: Please provide any practice and procedural manual or guidance used by CEG for determining whether a CEG document is a public record required to be disclosed under public records law.

RESPONSE: See response to Data Request 13(b) above.
DATA REQUEST NO. 18: Please provide a sample copy of an automated response acknowledging the request.

RESPONSE:

From: PRRF@citizensenergygroup.com  
Sent: Saturday, July 26, 2014 6:48 AM  
To: XXXXXX  
Subject: Public Records Request

Citizens Energy Group has received your public records request and has initiated a search of its public records to identify and collect those records, if any, which are responsive to your request. You will be notified as soon as the records, if any, are available for delivery.

Dan Considine  
Manager, Corporate Communications  
Citizens Energy Group

You submitted the following information:

Name of Requesting Party:  
Company (if applicable):  
Address:  
City:  
State:  
Zip Code:  
Phone:  
Identify with Reasonable Particularity the Record Being Requested: record
DATA REQUEST NO. 19: Please provide a job description of the Manager of Corporate Communications.

RESPONSE:
Please see the attached document identified as OUCC DR - 3.19.

WITNESS:
Jodi L. Whitney
Job Description

Job Title: Manager, Corporate Communications
Prepared By: Dan Considine

Job Code: 
Prepared Date: May 15, 2012

Department: Corporate Affairs
Number of Direct Reports: 2

Reports To: V.P. Community Relations
FLSA Status: Non-exempt

Job Summary
Provide strategic planning and direction for all aspects of the Corporate Communications function. This includes communications strategies to support the Board of Directors and Executive Team; corporate reports; stakeholder outreach for all utilities; and support for utility advisory groups. Provide supervisory support to Internal Communications Coordinator, Media Relations Coordinator, and outside public relations agency resources.

Essential Duties and Responsibilities:
Other duties may be assigned.

<table>
<thead>
<tr>
<th>Percentage (Total 100%)</th>
<th>Essential Duties and Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>Corporate Communications strategy development and execution for the Trust, including supervisory support for Internal Communications Coordinator, Media Relations Coordinator, and outside public relations agency resources.</td>
</tr>
<tr>
<td>10%</td>
<td>Communications and Public Relations support to the Citizens Energy Group Board of Directors and associated committees</td>
</tr>
<tr>
<td>10%</td>
<td>Communications support to Executive Team including strategic communications advice and speech and presentation development.</td>
</tr>
<tr>
<td>20%</td>
<td>Develop and execute corporate reports and special communications targeted to community leaders and other stakeholders including the Annual Report, Corporate Social Responsibility Report, Annual Water Quality Report, and periodic Consent Decree Progress Report.</td>
</tr>
<tr>
<td>20%</td>
<td>Manage water and wastewater related public outreach programs including those supporting the Combined Sewer Overflow and Septic Tank Elimination programs.</td>
</tr>
<tr>
<td>5%</td>
<td>Communications support to departments interacting with public and technical advisory groups providing input to Citizens</td>
</tr>
<tr>
<td>5%</td>
<td>Provide communications support for potential news businesses, acquisitions and divestitures.</td>
</tr>
<tr>
<td>5%</td>
<td>Provide strategic communications support to cross functional teams throughout the Trust.</td>
</tr>
<tr>
<td>5%</td>
<td>Represent Citizens on civic boards and events.</td>
</tr>
</tbody>
</table>

Required Qualifications:
- Education: Minimum bachelor's degree in journalism or communications.
- 10 plus years experience with full range of Corporate Communications functions including strategic communications planning, media relations, public relations, emergency response and internal communications.
- Ability to interact effectively with all levels of the company and the full range of community stakeholders.
- Ability to link communications plans and tactics to the strategic goals of trust and business units.
- Agency and budget management skills.

Preferred Skills Qualifications:
- Master's degree in journalism or communications.

This job description is a general description of essential job functions. It is not intended to be an exhaustive list of all responsibilities, duties and skills required of employees assigned to this job.
**DATA REQUEST NO. 20:** Please list and describe all trust assets or operations located outside Marion County.

**OBJECTION:**
In addition to any applicable general objections set forth above, including but not limited to general objection nos. 6, 8 and 10, Respondents specifically object to the extent the request seeks a detailed asset listing on the grounds that such a request is unduly burdensome. See also objection to Request No. 1 above. Subject to and without waiving the foregoing, Respondents respond as follows.

**RESPONSE:**
The Board owns assets located outside Marion County that are used and useful in connection with providing gas utility services to customers inside Marion County. The Board also owns assets located outside Marion County that are used and useful in connection with providing water utility services to serve its customers inside and outside Marion County. The Authority owns assets located outside Marion County that are used and useful in connection with providing wastewater utility services to customers inside and outside Marion County.
DATA REQUESTS

A. Customer Call Center Data and Customer Payment Designations

DATA REQUEST NO. A.1: Please state the current number of bi-lingual customer service employees.

RESPONSE:

As of June 27, 2014 17 bi-lingual employees are employed in Customer Relations.

WITNESS:

Rhonda L. Harper
DATA REQUEST NO. A.2: Please explain the reasons or situations that would cause CEG to use outside bi-lingual services at its Customer Call Center. Also please explain how outside bi-lingual services at the Customer Call Center are provided (provision of personnel, telephonically, or by some other means).

RESPONSE:

If a lobby visit is made or a call is received from a customer who does not speak English, requires an interpreter, and a bi-lingual associate is not available or we do not have an associate that speaks the language the customer speaks, Citizens contacts the interpreter service and places the customer on a conference call, or speaker phone if in the lobby, to have the interpreter provide assistance.

WITNESS:

Rhonda L. Harper
DATA REQUEST NO. A.3: How often does Citizens Energy Group engage an outside contractor to perform a Call Center Benchmarking study?

RESPONSE:

Citizens is not on a set schedule to have call center benchmarking studies completed. The last study was completed in 2010.

WITNESS:

Rhonda L. Harper
DATA REQUEST NO. A.4: In 2010, Citizens Gas had a service agreement with Benchmarkportal, LLC to review Citizens Gas' call center ("Best Practices Consulting and Call Center Benchmarking"). Please indicate whether CEG has used Benchmarkportal, LLC, or any other third-party contractor, to conduct a call center benchmarking study in the last 3 years. If so, please provide a copy of all reports and executive summaries prepared and all studies performed during the last 3 years.

RESPONSE:

Citizens has not engaged BenchmarkPortal, LLC or any other third-party to conduct a call center benchmarking study in the last three years. During the last three years, Citizens has been preparing for and implementing a new combined call center with the acquisition of the water and wastewater utilities from the City of Indianapolis. Post integration, Citizens believes it is important to monitor the new combined call center and identify and work through issues before another benchmarking study is considered.

WITNESS:

Rhonda L. Harper
F. Customer Service and Compensation Metrics

DATA REQUEST NO. F.1: Please provide the 2014 Executive Incentive Plan.

RESPONSE:

Please see the attached documents identified as OUCC DR – 1.F1a and OUCC DR – 1.F1b that are for the performance cycle ending September 30, 2014.

WITNESS:

Jodi L. Whitney
Exhibit D

CITIZENS ENERGY GROUP

EXECUTIVE INCENTIVE PLAN

Amended and Restated Effective for the Performance Cycle beginning October 1, 2012
CITIZENS ENERGY GROUP

EXECUTIVE INCENTIVE PLAN

ARTICLE I.

RESTATEMENT OF THE PLAN

Section 1.1. Restatement. The City of Indianapolis, by and through its Board of Directors for Utilities of its Department of Public Utilities ("Board of Directors"), doing business as Citizens Energy Group ("Citizens"), established the Citizens Gas & Coke Utility Long-Term Incentive Compensation Plan, effective as of October 1, 1997, which was subsequently amended and restated from time to time, most recently effective as of October 1, 2012, and renamed as the Citizens Energy Group Executive Incentive Plan (the "Plan").

Section 1.2. Background. Citizens is a public charitable trust established pursuant to the laws of the State of Indiana, for the fundamental purpose of keeping natural gas rates low for the residents of Marion County, Indiana, the beneficiaries of the public charitable trust. As such, all of the strategic objectives of Citizens and the manner in which its business is conducted is subject to this fundamental purpose. Citizens has developed both regulated and unregulated business units in related businesses in order to increase the services it offers, and to lower its cost of providing gas service, to citizens of Marion County. In addition to competing for the provision of gas and other services, Citizens and its business units are competing to attract, motivate and retain talented and experienced managers to lead the organization in responding to the new competitive environment.

Citizens has a long history as a customer-focused, quality driven organization. It is essential to incorporate that focus into the measures of performance under the Plan. There are many reasons, empirical and philosophical, supporting this emphasis. One of the most important is the application of these measures to Citizens' various customer segments. The ability of
Citizens to serve both its residential consumers and its business customers can be gauged on the basis of customer satisfaction, although strategically separate initiatives may be required to achieve the desired improvement.

It is desirable to base the incentives under the Plan on the same quality component to ensure that short-term gains are sustained and expanded over the longer term. The measures are defined to reward achievement in a way that is compatible while differentiating between the short-term and long-term incentives. Specifically, while the short-term incentives reward improvements in the average rating for satisfaction, the longer term incentives reward moving customers into the highest rating categories.

Finally, to ensure the satisfaction incentive reaches every customer segment, the incentive measures under the Plan are divided to reflect throughput by market segment. Specifically, one-half of the Plan benchmark incentive for the customer satisfaction portion is based on residential performance and one-half on gas commercial/industrial and steam customer performance.

Section 1.3. Purpose. The purpose of this Plan is to provide to key management personnel, incentive compensation tied to various performance measurements including the provision of gas and steam services at rates lower than similar rates of Citizens' comparators, as well as maintaining and improving customer satisfaction. The Plan is intended to: (i) link long-term management compensation to Citizens' ongoing objective of achieving low gas and steam rates for Marion County residents; (ii) provide an incentive to attract, motivate and retain the type of key management needed to create, develop and operate profitably all aspects of Citizens' operations, including both the regulated and unregulated business units, in a competitive environment; (iii) provide an incentive to maintain and improve customer satisfaction, (iv) maintain supplier diversity; and (v) ensure operational reliability.
Section 1.4. **Funding.** The Plan is unfunded and the rights, if any, of any person to any benefits hereunder shall be the same as any unsecured general creditor of Citizens.

**ARTICLE II.**

**DEFINITIONS AND CONSTRUCTION**

Section 2.1. **Definitions.** When the initial letter of a word or phrase is capitalized herein, such word or phrase shall have the meaning hereinafter set forth:

(a) "Beneficiary" means the person or persons designated by a Participant to receive any Vested Incentive Compensation payable with respect to the Participant after his death. To be effective, a Beneficiary designation must have been made in writing on forms provided by the Committee during the lifetime of the Participant. If a Participant fails to designate a Beneficiary, or if his designated Beneficiary predeceases him, the Participant's Beneficiary shall be his surviving spouse, if any, or if no spouse survives him, the Beneficiary shall be the Participant's estate.

(b) "Board of Directors" means the Board of Directors of Citizens.

(c) "Cause" means the occurrence of one of the following:

1. Indictment or conviction for a felony, or indictment or conviction for any crime or offense lesser than a felony, involving the property of, or against any employee, of Citizens or any of its Subsidiaries;

2. Engaging in conduct which has caused demonstrable and serious injury to Citizens or any of its Subsidiaries, whether monetary injury or otherwise, as evidenced by a determination in a binding and final judgment, order or decree of a court or administrative agency of competent jurisdiction, after exhaustion or lapse of all rights of appeal; or
(3) Gross dereliction of duties or other grave misconduct of the Participant and the failure by the Participant to cure such situation within thirty (30) days after receipt of notice thereof from the Board of Directors or its designee, except that if the Board of Directors has information upon which it has formed a good faith belief that the Participant's misconduct may either constitute a violation of laws or cause immediate demonstrable and serious injury to Citizens, then Citizens shall not be obligated to provide the Participant any opportunity to cure the misconduct.

(d) "Citizens" means the City of Indianapolis, by and through its Board of Directors for Utilities of the Department of Public Utilities, doing business as Citizens Energy Group.

(e) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(f) "Committee" means the Compensation & Finance Committee of the Board of Directors, which shall consist of directors who are not currently employed by Citizens and who are not eligible for benefits under this Plan.

(g) "Competitive Rates Component" means the performance with regard to competitive Rates provided to customers of Citizens, as set forth in Section 5.3 and Appendix C.

(h) "Comparators" means the group of utilities, as determined by the Board of Directors, in its sole discretion, and referenced in Appendix C attached hereto and made a part hereof and as amended from time to time, that provide natural gas and other services similar to Citizens against which the Rates of Citizens will be compared under the Plan.

(i) "Covered Employment" means employment in a position designated by the Board of Directors as eligible for participation in the Plan at the beginning of a Performance Cycle, as set forth in Appendix A, attached hereto and made a part hereof, as amended from time to time.
(j) "Customer Satisfaction Component" means the Residential Customer Satisfaction Measurement Program, and the Commercial Customer Satisfaction Measurement Program, and Steam Customer Satisfaction Measurement Program, as set forth in Section 5.4 and Appendix D.

(k) "Disabled" or "Disability" means a Participant is considered disabled under Code Section 409A and in particular means a disability for which the Participant: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical and mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of Citizens; or (iii) if the Participant is not covered by a Citizens sponsored disability plan, is receiving disability retirement benefits under the Federal Social Security Act; provided in each case such Participant would be considered disabled under Code Section 409A and the applicable regulations thereunder.

(l) "Fiscal Year" means the twelve (12) month period beginning each October 1 and ending on the following September 30.

(m) "Incentive Compensation" means the long term cash incentive awards earned by Participants in the Plan as described in Article V.

(n) "Interest" means the rate of interest to be credited on accrued but unpaid Incentive Compensation, as established by the Board of Directors from time to time based on U.S. Treasury securities of comparable terms.

(o) "Maximum" means the highest level of performance established by the Board of Directors, in its sole discretion, for an applicable Performance Cycle, at which one hundred fifty
percent (150%) of Incentive Compensation shall be awarded to Participants, as set forth in Appendices C, D, E and F, attached hereto and made a part hereof.

(p) "Minimum Threshold Trigger" means the minimum target, established by the Board of Directors for each Performance Cycle that must be achieved by Citizens for the applicable Performance Cycle, to trigger an award of any Incentive Compensation, as set forth in Appendix B, attached hereto and made a part hereof.

(q) "Operational Measures Component" means performance measured by the reliability of the gas, water, and steam systems, as set forth in Section 5.6 and Appendix F.

(r) "Participant" means each employee or executive officer of Citizens who is employed in Covered Employment and who meets the requirements of Section 4.2.

(s) "Performance Cycle" means the two-year period beginning on October 1, 2012, and ending on September 30, 2014; and thereafter, if so designated by the Board of Directors, each two (2) year period (or such other period as may be designated by the Board of Directors) beginning annually on the October 1st that occurs each year after the end of the immediately preceding Performance Cycle.

(t) "Plan" means the "Citizens Energy Group Executive Incentive Plan," as set forth herein and as may be amended from time to time.

(u) "Rates" means, individually or in the aggregate as the context requires, gas and steam rates charged to customers of Citizens for services provided during the applicable Fiscal Year.

(v) "Retirement" or "Retirees" means retirement from Citizens and all affiliated employers on and after the date the Participant is entitled to an unreduced early retirement benefit under the Citizens Energy Group Retirement Plan.
(w) "Subsidiary" or "Subsidiaries" means any company or business organization in which Citizens or a Subsidiary of Citizens has an ownership interest greater than fifty percent (50%).

(x) "Supplier Diversity Component" means performance measured by achieving a level of minority purchases as set forth in Section 5.5 and Appendix E.

(y) "Target" means the desired level of performance established by the Board of Directors, in its sole discretion, for an applicable Performance Cycle, at which one hundred percent (100%) of Incentive Compensation shall be awarded to Participants, as set forth in Appendices C, D, E and F attached hereto and made a part hereof.

(z) "Threshold" means the minimum level of performance established by the Board of Directors, in its sole discretion, for an applicable Performance Cycle, at which fifty percent (50%) of Incentive Compensation shall be awarded to Participants, as set forth in Appendices C, D, E and F attached hereto and made a part hereof.

(aa) "Vest," "Vested," or "Vesting" means the interest of a Participant (or his Beneficiary) in his Incentive Compensation for any applicable Performance Cycle that is unconditional, legally enforceable, and not subject to a substantial risk of forfeiture.

Section 2.2. Construction and Governing Law.

(a) The Plan shall be construed, enforced and administered, and the validity thereof determined, in accordance with the laws of the State of Indiana.

(b) Words used herein in the masculine gender shall be construed to include the feminine gender where appropriate, and words used herein in the singular or plural shall be construed as being in the plural or singular where appropriate.
ARTICLE III.
ADMINISTRATION AND ACCOUNTS

Section 3.1. Administrative Authority. The Plan shall be administered by the Board of Directors. The Board of Directors shall have full authority to administer the Plan, including the authority to interpret and construe any provision of the Plan, resolve any ambiguities and adopt such rules and regulations for administering the Plan as it may deem necessary to comply with the requirements of the Plan or any applicable law. The Board of Directors may delegate to the Committee such authority, duties and responsibilities of administering the Plan as it, in its sole discretion, deems necessary or appropriate for the proper and efficient operation of the Plan.

Section 3.2. Duties of the Board of Directors. In addition to its administrative authority, the Board of Directors shall have the exclusive authority and the duty to: (i) designate the positions or titles of employees who shall be eligible to participate in the Plan; (ii) establish target performance levels and corresponding Incentive Compensation opportunities for the applicable period; and (iii) determine achievement levels for each Performance Cycle. In fulfilling such duties, the Board of Directors may engage the services of outside consultants and may consider the recommendations of senior management.

Section 3.3. Actions of the Board or Committee. All actions taken and all interpretations and determinations made in good faith by the Board of Directors or the Committee shall be final and binding upon all Participants, Citizens, and all other interested persons.

Section 3.4. Accounts. The Committee shall maintain a bookkeeping account for each Participant reflecting the allocation of accrued but unpaid Incentive Compensation and Interest accrued thereon. Amounts allocated to the account of a Participant under Article V shall be credited to his or her account. The value of the account of a Participant at any time shall be the
amount of Incentive Compensation previously credited to the account, plus Interest thereon, minus any distributions made from the account.

Section 3.5. Periodic Statements. As soon as administratively practical after the end of each Fiscal Year, the Committee shall provide to each Participant a written report stating the amount, if any, allocated to his account in accordance with Section 3.4, calculated at the end of such Fiscal Year.

ARTICLE IV.

ELIGIBILITY AND PARTICIPATION

Section 4.1. Covered Employment. Any employee or officer who is employed in Covered Employment, as set forth in Appendix A, shall be eligible to participate in this Plan. The Board of Directors, in its sole discretion, shall select the positions or titles of persons who shall be eligible to participate in the Plan and may add or remove eligible positions or titles at any time and from time to time.

Section 4.2. Participation. Any employee or officer who is eligible to participate in this Plan in accordance with Section 4.1 shall become a Participant only after completing such forms and making such elections as the Board of Directors or the Committee may prescribe.

ARTICLE V.

INCENTIVE COMPENSATION

Section 5.1. Incentive Compensation. Subject to adjustments in accordance with Section 5.9, the amount of Incentive Compensation awarded under the Plan for each applicable Performance Cycle shall be based on the extent to which the goals for competitive Rates, each Customer Satisfaction Measurement Program, the Supplier Diversity Component and the Operational Measures Component are achieved for such Performance Cycle. For each
Performance Cycle, the Board of Directors shall establish desired levels of performance with regard to each Performance Measure as set forth in Appendices C, D, E and F. Before, or within a reasonable time after the beginning of a Performance Cycle, the Board of Directors shall notify each Participant in writing of the Performance Measures for the applicable Performance Cycle as set forth in Appendices C, D, E and F. The amount of Incentive Compensation awarded to Participants for the applicable Performance Cycle, shall be determined by comparing the actual performance during such period to such Performance Measures. Such Incentive Compensation shall be allocated as provided in Sections 5.3, 5.4, 5.5 and 5.6 below, and shall Vest and become payable as set forth in Article VI and subject to Section 5.2.

Section 5.2. Minimum Threshold Trigger. Notwithstanding any provision herein to the contrary, no Incentive Compensation shall be awarded to any Participant for any Fiscal Year if at the end of the Performance Cycle the Minimum Threshold Trigger as set forth in Appendix B has not been achieved.

Section 5.3. Competitive Rates Component. Twenty-five percent (25%) of the Incentive Compensation of a Participant for any applicable Performance Cycle shall be determined based on performance in providing competitive Rates to Citizens's customers. The amount of the Competitive Rates Component awarded in the applicable Fiscal Year shall be determined according to the Performance Measures set forth in Appendix C.

Section 5.4. Customer Satisfaction Component. Fifty percent (50%) of the Incentive Compensation of a Participant for any applicable Performance Cycle shall be determined based on achievement of customer satisfaction goals under the Customer Satisfaction Measurement Program during the Performance Cycle. For such purposes the Board of Directors shall establish the base benchmark satisfaction as of the first day of each Performance Cycle. The amount of the Customer Satisfaction Component awarded in the applicable Fiscal Year shall be determined
according to the Performance Measures set forth in Appendix D.

Section 5.5. Supplier Diversity Component. Ten percent (10%) of the Incentive Compensation for a Participant for any Performance Cycle shall be determined based on attaining a certain percentage of minority purchases, as established by Citizens, during the Performance Cycle. The amount of the Supplier Diversity Component awarded in the applicable Fiscal Year shall be determined according to the Performance Measures set forth in Appendix E.

Section 5.6. Operational Measures Component. Fifteen percent (15%) of the Incentive Compensation for a Participant for any Performance Cycle shall be determined based on satisfying certain operational reliability measures. The amount of the Operational Measures Component awarded in the applicable Fiscal Year shall be determined according to the Performance Measures set forth in Appendix F.

Section 5.7. Interest Accrual. The account of a Participant shall be credited with Interest compounded annually on amounts allocated to his account until such amounts are actually Vested or forfeited. The Board of Directors, in its sole discretion, shall declare the rate of Interest to be credited to Participant accounts and shall, not less than annually, review the rate.

Section 5.8. Late Entry. Unless the Committee determines otherwise, if an employee becomes a Participant effective after the first day of the applicable Performance Cycle, then he shall be entitled to a portion of his Incentive Compensation for such Performance Cycle. Such portion of Incentive Compensation shall be determined as if the Performance Cycle began on the first day of the Fiscal Year immediately following the date he becomes a Participant and ending on the last day of the Performance Cycle.

Section 5.9. Adjustments. The Board of Directors shall, in its sole discretion, determine if adjustments shall be made in the performance results, Minimum Threshold Trigger or in the amounts of Incentive Compensation payable for any given Performance Cycle, or such
shorter period as may be applicable, due to extraordinary items or events that occurred during the Performance Cycle. Such extraordinary items or events include, but are not limited to, any changes in accounting principles or tax laws, changes in the regulation or deregulation of Citizens, or changes in the ownership or operations of Citizens.

ARTICLE VI.

VESTING AND PAYMENT OF BENEFITS

Section 6.1. Vesting. If the Minimum Threshold Trigger is satisfied for a Performance Cycle, fifty percent (50%) of the Incentive Compensation of a Participant for the applicable Performance Cycle (and any Interest attributable thereto) shall become Vested and shall be payable to the Participant on the last day of such Performance Cycle, provided, the Participant is employed by Citizens on such date. Notwithstanding the previous sentence; if the Participant is eligible for Retirement, one-hundred percent (100%) of the Incentive Compensation for the applicable Performance Cycle (and any interest attributable thereto) shall become Vested and shall be payable to the Participant on the last day of such Performance Cycle. Actual payment of such Vested amount shall be paid by the end of the calendar year in which the Performance Cycle ends. The remaining Incentive Compensation (and Interest attributable thereto) for such Performance Cycle, if any, shall become Vested and shall be payable to the Participant on the first anniversary of the end of such Performance Cycle, provided, the Participant is employed by Citizens on such date. Actual payment of such Vested remaining Incentive Compensation shall be paid by the end of the calendar year in which the first anniversary of the Performance Cycle occurs. If the Minimum Threshold Trigger is not satisfied for a Performance Cycle, any Incentive Compensation (and any Interest attributable thereto) shall be forfeited. An example of the operation of this Section is illustrated in Appendix 1.

Section 6.2. Discretionary Vesting. Notwithstanding Section 6.1, if a Participant is not
Vested in his unpaid Incentive Compensation (and any Interest attributable thereto) and his Covered Employment is involuntarily terminated by Citizens without Cause, the Board of Directors, in its sole discretion, may determine for valid business reasons to Vest such Participant in any or all such unpaid Incentive Compensation contingent upon satisfaction of the Minimum Threshold Trigger for the applicable Performance Cycle. If the Minimum Threshold Trigger for the applicable Performance Cycle is satisfied, such benefits shall be Vested. Such Vested benefits shall be paid by the end of the calendar year in which such Performance Cycle ends. If the Minimum Threshold Trigger for the applicable Performance Cycle is not satisfied, such unpaid Incentive Compensation shall be forfeited. The Participant shall not be Vested or awarded any Incentive Compensation attributable to Fiscal Years remaining in the applicable Performance Cycle that end after the date the Participant's Covered Employment terminated. Any taxes owed under the Code shall be the responsibility of the Participant regardless as to when actual payment is made by Citizens. An example of the operation of this Section is illustrated in Appendix G.

Section 6.3. Retirement, Disability, or Death. Notwithstanding Section 6.1, if a Participant is not Vested in his unpaid Incentive Compensation (and any Interest attributable thereto) and he Retires, dies, or becomes Disabled, he shall be Vested in one hundred percent (100%) of any such unpaid Incentive Compensation contingent upon satisfaction of the Minimum Threshold Trigger for the applicable Performance Cycle. If the Minimum Threshold Trigger for the applicable Performance Cycle is satisfied, such benefits shall be Vested. Such Vested benefits shall be paid by the end of the calendar year in which such Performance Cycle ends. If the Minimum Threshold Trigger is not satisfied for such Performance Cycle, such unpaid Incentive Compensation shall be forfeited. The Participant shall not be Vested or awarded any Incentive Compensation attributable to Fiscal Years remaining in the applicable
Performance Cycle that end after the date the Participant Retires, dies, or becomes Disabled. An example of the operation of this Section is illustrated in Appendix H.

Section 6.4. Forfeitures. Notwithstanding any provision herein to the contrary, a Participant shall forfeit any and all rights he may have to any unpaid Incentive Compensation (and any Interest attributable thereto) which has not become Vested under Section 6.1, provided:

1. he voluntarily terminates Covered Employment with Citizens before he is Vested, except in the case of Retirement, Disability or death as provided in Section 6.3;
2. his Covered Employment with Citizens is terminated involuntarily without Cause, except as provided under Section 6.2; or
3. his Covered Employment is terminated by Citizens for Cause.

An example of the operation of this Section is illustrated in Appendix J.

ARTICLE VII.
MISCELLANEOUS

Section 7.1. Amendments. The Board of Directors from time to time may amend, suspend, or terminate the Plan or any part thereof, effective as of the beginning of any Fiscal Year commencing on or after the date of adoption of such action by the Board of Directors; provided, however, that no such action shall affect the rights of the Participant or the operation of the Plan with respect to the portion of the Incentive Compensation of the Participant that has become Vested before such action. No such amendment or termination shall operate to accelerate the payment of benefits in violation of Code Section 409A and the regulations thereunder, if applicable.

Section 7.2. No Employment Rights. Neither the establishment of the Plan nor the status of an employee as a Participant shall give any Participant any right to be retained in the employ of Citizens or participate in any subsequent Performance Cycles; and no Participant, and
no person claiming under or through such Participant, shall have any right or interest in any benefit under the Plan unless and until the terms, conditions, and provisions of the Plan affecting such Participant shall have been satisfied.

Section 7.3. Non-alienation. The right of any Participant or any person claiming under or through such Participant to any benefit or any payment hereunder shall not be subject in any manner to attachment or other legal process for the debts of such Participant or person; and the same shall not be subject to anticipation, alienation, sale, transfer, assignment or encumbrance.

Section 7.4. Limitation of Liability. No member of the Board of Directors or the Committee, and no officer or employee of Citizens, shall be liable to any person for any action taken or omitted in connection with the administration of the Plan, nor shall Citizens be liable to any person for any such action or omission. No person shall, because of the Plan, acquire any right to an accounting or to examine the books or the affairs of Citizens. Nothing in the Plan shall be construed to create any trust or any fiduciary relationship between Citizens and any Participant or any other person.

Section 7.5. Tax Withholding. Citizens may withhold from any payment due hereunder any taxes required to be withheld under applicable federal, state, or local tax laws or regulations.

Section 7.6. Counterparts. The Plan may be evidenced by any number of counterparts, each of which shall constitute an original.

Section 7.7. Term of Plan. No grants can be made under the Plan on or after October 1, 2014; except as otherwise permitted by the Board of Directors.
IN WITNESS WHEREOF, the undersigned has caused the Citizens Energy Group Executive Incentive Plan to be executed as of this 18th day of October, 2013.

CITY OF INDIANAPOLIS, BY AND THROUGH ITS BOARD OF DIRECTORS FOR UTILITIES OF ITS DEPARTMENT OF PUBLIC UTILITIES, DOING BUSINESS AS CITIZENS ENERGY GROUP

By: _________________________________

[Signature]

President of the Board of Directors
APPENDIX A

TO THE CITIZENS ENERGY GROUP
EXECUTIVE INCENTIVE PLAN

FOR PERFORMANCE CYCLE:
OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2014

Officers of Citizens who hold any of the following positions shall be eligible to participate in the Plan:

President and Chief Executive Officer
Senior Vice President and Chief Financial Officer
Senior Vice President and Chief Administrative Officer
Senior Vice President, Chief Legal/Compliance Officer
Senior Vice President and Chief Operations Officer
Vice President, Water Operations
Vice President, Human Resources (effective February 1, 2013)
Vice President, Information Technology
Vice President, Community Relations
Senior Vice President, Customer Relationships
Vice President, Controller
Director of Internal Audit and Enterprise Risk Management
Vice President, Regulatory Affairs
Vice President, Strategy and Corporate Development
Vice President, Energy Operations
Senior Vice President Engineering and Sustainability
Vice President, Engineering and Shared Field Services (effective December 31, 2012)
Vice President, General Counsel (effective February 1, 2013)
Vice President, Major Capital Projects (effective December 31, 2012)
Associate General Counsel (effective November 1, 2012)
APPENDIX B

MINIMUM THRESHOLD TRIGGER

TO THE CITIZENS ENERGY GROUP
EXECUTIVE INCENTIVE PLAN

FOR PERFORMANCE CYCLE:
OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2014

For purposes of determining whether any Incentive Compensation shall be awarded, the Minimum Threshold Trigger shall be based on Citizens achieving an aggregate two-year EBITDA (earnings before deduction for interest expense, taxes, depreciation and amortization) of at least Four Hundred Million Dollars ($400,000,000) as of the end of a Performance Cycle. EBITDA shall be based on actual EBITDA for Citizens for each of the Fiscal Years in the Performance Cycle. In calculating the actual EBITDA for the Fiscal Year, the amount included as affiliate earnings is replaced with the Citizens Resources’ share of affiliate dividends for the current year. The Board, in its sole discretion, reserves the right to modify such EBITDA performance threshold to take into account any extraordinary gains or losses that may occur during a Performance Cycle.

Such threshold dollar amount shall be established by the Board for each Performance Cycle.
APPENDIX C

COMPETITIVE RATES COMPONENT

TO THE CITIZENS ENERGY GROUP

EXECUTIVE INCENTIVE PLAN

FOR PERFORMANCE CYCLE:
OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2014

1. For purposes of determining the Competitive Rates Component, eighty percent (80%) of the Competitive Rates Component shall be determined based on a percentage comparison between the Rates charged to Citizens’s gas residential customers, and a twenty (20) city (predetermined by the Board) average rate. The 20 city rate comparison will be determined using a three (3) year rolling average.

2. The remaining twenty percent (20%) of the Competitive Rates Component shall be determined based on the ranking of the Rates charged to Citizens’s steam customers, compared to the rates of the steam customers for the seven (7) midwest steam suppliers for the weighted average of Total Annual Bill for small, medium and large customer classes.

3. Performance Measures for the Competitive Rates Component

<table>
<thead>
<tr>
<th>COMPETITIVE RATES COMPONENT</th>
<th>Rank</th>
<th>Long-Term Incentive Compensation Earned (percentage of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than or equal to 4%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>below 20 city average rate.</td>
<td></td>
</tr>
<tr>
<td>Threshold</td>
<td>Greater than 4% below 20</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>city average rate.</td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>Greater than 8% below 20</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>city average rate.</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>Greater than or equal to 12%</td>
<td>150%</td>
</tr>
</tbody>
</table>

C-1
### COMPETITIVE RATES COMPONENT

Steamp Customers  
(20% of Competitive Rates Component)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Long-Term Incentive Compensation Earned (percentage of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than 5</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold</td>
<td>5</td>
</tr>
<tr>
<td>Target</td>
<td>4</td>
</tr>
<tr>
<td>Maximum</td>
<td>Less than or equal to 3</td>
</tr>
</tbody>
</table>

- **Threshold**: 5
- **Target**: 4
- **Maximum**: Less than or equal to 3

C-2
APPENDIX D
CUSTOMER SATISFACTION COMPONENT
TO THE CITIZENS ENERGY GROUP
EXECUTIVE INCENTIVE PLAN
FOR PERFORMANCE CYCLE:
OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2014

1. For purposes of determining the Customer Satisfaction Component, fifty percent
(50%) of the Customer Satisfaction Component shall be determined based on the Citizens Gas
Residential Customer Satisfaction Index and thirty-five percent (35%) of the Customer
Satisfaction Component shall be based on the Citizens Gas Commercial/Industrial Customer
Satisfaction Index.

2. The remaining fifteen percent (15%) of the Customer Satisfaction Component
shall be determined based on the Citizens Thermal Steam Customer Satisfaction Index.

3. Performance Measures for the Customer Satisfaction Component

<table>
<thead>
<tr>
<th>CUSTOMER SATISFACTION COMPONENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizens Residential Gas Customer Satisfaction Index</td>
</tr>
<tr>
<td>(50% of the Customer Satisfaction Component)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
</tr>
<tr>
<td>Index (percentage of 6-10 ratings)</td>
</tr>
<tr>
<td>Long-Term Incentive Compensation Earned (percentage of Target)</td>
</tr>
<tr>
<td>---------------------------------</td>
</tr>
<tr>
<td>Less than 95%</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>Threshold</td>
</tr>
<tr>
<td>95%</td>
</tr>
<tr>
<td>50%</td>
</tr>
<tr>
<td>Target</td>
</tr>
<tr>
<td>105%</td>
</tr>
<tr>
<td>100%</td>
</tr>
<tr>
<td>Maximum</td>
</tr>
<tr>
<td>115%</td>
</tr>
<tr>
<td>150%</td>
</tr>
</tbody>
</table>
### CUSTOMER SATISFACTION COMPONENT

**Citizens Gas Commercial/Industrial Customer Satisfaction Index**

(35% of the Customer Satisfaction Component)

<table>
<thead>
<tr>
<th>Index (percentage of 6-10 ratings)</th>
<th>Long-Term Incentive Compensation Earned (percentage of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 100%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold 100%</td>
<td>50%</td>
</tr>
<tr>
<td>Target 110%</td>
<td>100%</td>
</tr>
<tr>
<td>Maximum 120%</td>
<td>150%</td>
</tr>
</tbody>
</table>

### CUSTOMER SATISFACTION COMPONENT

**Citizens Thermal Customer Satisfaction Index**

(15% of the Customer Satisfaction Component)

<table>
<thead>
<tr>
<th>Index (percentage)</th>
<th>Long-Term Incentive Compensation Earned (percentage of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 92%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold 92%</td>
<td>50%</td>
</tr>
<tr>
<td>Target 95%</td>
<td>100%</td>
</tr>
<tr>
<td>Maximum 98%</td>
<td>150%</td>
</tr>
</tbody>
</table>
### APPENDIX E

**SUPPLIER DIVERSITY COMPONENT**

**TO THE CITIZENS ENERGY GROUP EXECUTIVE INCENTIVE PLAN**

**FOR PERFORMANCE CYCLE:**

**OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2013**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Long-Term Incentive Compensation Earned (percentage of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 18%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold</td>
<td>Greater than or equal to 18%</td>
</tr>
<tr>
<td>Target</td>
<td>22%</td>
</tr>
<tr>
<td>Maximum</td>
<td>26%</td>
</tr>
</tbody>
</table>
APPENDIX F

OPERATIONAL MEASURES COMPONENT

TO THE CITIZENS ENERGY GROUP
EXECUTIVE INCENTIVE PLAN

FOR PERFORMANCE CYCLE:
OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2014

1. Thirty three and thirty-four hundredths percent (33.34%) of the Operational Measures Component shall be determined by the percentage of time that the Gas System is above the minimum desired pressure of two hundred and fifty pounds (250#).

2. Thirty three and thirty-three hundredths percent (33.33%) of the Operational Measures Component shall be determined by the percentage of time that the Steam Systems are above the minimum desired pressures of two hundred and fifty pounds (250#) or four hundred pounds (400#).

3. Thirty three and thirty-three hundredths percent (33.33%) of the Operational Measures Component shall be determined by the percentage of time, on an annual basis, that the Water Systems are above the minimum desired pressure of twenty (20) pounds per square inch.

---

**OPERATIONAL MEASURES COMPONENT**
Gas System Reliability
(33.34% of the Operational Measures Component)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Long-Term Incentive Compensation Earned (percentage of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 99%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold</td>
<td>99%</td>
</tr>
<tr>
<td>Target</td>
<td>99.5%</td>
</tr>
<tr>
<td>Maximum</td>
<td>100%</td>
</tr>
</tbody>
</table>

---

**OPERATIONAL MEASURES COMPONENT**
Steam System Reliability
(33.33% of the Operational Measures Component)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Long-Term Incentive Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Earned (percentage of Target)</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Threshold</td>
<td></td>
</tr>
<tr>
<td>Less than 99%</td>
<td>0%</td>
</tr>
<tr>
<td>99%</td>
<td>50%</td>
</tr>
<tr>
<td>Target</td>
<td></td>
</tr>
<tr>
<td>99.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Maximum</td>
<td></td>
</tr>
<tr>
<td>100%</td>
<td>150%</td>
</tr>
</tbody>
</table>

**OPERATIONAL MEASURES COMPONENT**

Water System Reliability
(33.33% of the Operational Measures Component)

<table>
<thead>
<tr>
<th></th>
<th>Rank</th>
<th>Long-Term Incentive Compensation Earned (percentage of Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 99%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Threshold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>99%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td></td>
<td></td>
</tr>
<tr>
<td>99.5%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100%</td>
<td>150%</td>
<td></td>
</tr>
</tbody>
</table>
## APPENDIX G

### PERFORMANCE CYCLES FOR CITIZENS ENERGY GROUP EXECUTIVE INCENTIVE PLAN

(Applicable for Executives Who are Involuntary Terminated Without Cause and Before the End of Performance Cycle)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event/Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/1/12</td>
<td>Performance Cycle Begins</td>
</tr>
<tr>
<td>9/30/13</td>
<td>Fiscal Year Ends Incentive Compensation credited</td>
</tr>
<tr>
<td>10/1/13</td>
<td>If the executive is involuntarily terminated without cause before end of 2013 and Board exercises its discretion to vest the executive for valid business reasons (contingent on satisfaction of Minimum Threshold Trigger), then accrued Incentive Compensation for Fiscal Year ended 9/30/13, may become payable</td>
</tr>
<tr>
<td>9/30/14</td>
<td>Performance Cycle Ends Minimum Threshold Trigger satisfaction determined</td>
</tr>
<tr>
<td></td>
<td>If Minimum Threshold Trigger is not satisfied, then accrued Incentive Compensation is forfeited</td>
</tr>
<tr>
<td></td>
<td>If the Minimum Threshold Trigger is satisfied and Board vests, 50% of accrued Incentive Compensation is paid before the end of the calendar year (however, only the interest component is taxable income for 2015)</td>
</tr>
<tr>
<td>9/30/15</td>
<td>Remaining 50% of the accrued Incentive Compensation is paid by the end of the calendar year (however, only the interest component is taxable income for 2015)</td>
</tr>
</tbody>
</table>

If the Minimum Threshold Trigger is not satisfied, then accrued Incentive Compensation is forfeited. If the Minimum Threshold Trigger is satisfied and Board vests, 50% of accrued Incentive Compensation is paid before the end of the calendar year (however, only the interest component is taxable income for 2015).
**APPENDIX H**

**PERFORMANCE CYCLES FOR CITIZENS ENERGY GROUP EXECUTIVE INCENTIVE PLAN**

(Applicable for Executives Who Retire, Become Disabled, or Die After 2012, but before vesting date)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/1/12</td>
<td>Performance Cycle Begins</td>
</tr>
<tr>
<td>9/30/13</td>
<td>Fiscal Year Ends Incentive Compensation credited</td>
</tr>
<tr>
<td>9/29/14</td>
<td>If the executive retires, becomes disabled or dies before the end of the Performance Cycle, accrued incentive Compensation for the prior Fiscal Year may become payable if Minimum Threshold Trigger is satisfied</td>
</tr>
<tr>
<td>9/30/14</td>
<td>Fiscal Year Ends</td>
</tr>
<tr>
<td>9/30/14</td>
<td>Performance Cycle Ends Minimum Threshold Trigger determined</td>
</tr>
<tr>
<td></td>
<td>If the Minimum Threshold Trigger is not satisfied, then accrued incentive Compensation is forfeited</td>
</tr>
<tr>
<td></td>
<td>If the Minimum Threshold Trigger is satisfied, accrued incentive Compensation for the prior Fiscal Year vests and is paid before the end of the calendar year</td>
</tr>
</tbody>
</table>

*Note: if the executive retires on September 30, 2014, and the Minimum Threshold is satisfied then accrued incentive for both Fiscal Year ended 9/30/2013 and 2014 will vest and be payable before the end of the calendar year.*
APPENDIX I

PERFORMANCE CYCLES FOR
CITIZENS ENERGY GROUP
EXECUTIVE INCENTIVE PLAN

(Applicable for Active Executives Thru All Periods)

- 10/1/12 Performance Cycle Begins
- 9/30/13 Fiscal Year Ends Incentive Compensation credited
- 9/30/14 Fiscal Year ends Incentive Compensation credited
- 9/30/14 Performance Cycle ends Minimum Threshold Trigger satisfaction determined
  If Minimum Threshold Trigger is not satisfied, accrued Incentive Compensation is forfeited
  If Minimum Threshold Trigger is satisfied and executive remains employed, 50% of accrued Incentive Compensation vests and is paid by the end of the calendar year, or if the executive is eligible for Retirement, 100% of accrued Incentive Compensation vests and is paid by the end of the calendar year.
- 9/30/15 If the Minimum Threshold Trigger is satisfied and executive remains employed, the remaining 50% of accrued Incentive Compensation vests and is paid by the end of the calendar year.
## APPENDIX J

### PERFORMANCE CYCLES FOR
CITIZENS ENERGY GROUP
EXECUTIVE INCENTIVE PLAN

(Applicable for Executives who Voluntarily Terminate or Involuntarily Terminate for Cause during a Performance Cycle)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/1/12</td>
<td>Performance Cycle Begins</td>
</tr>
<tr>
<td>9/30/13</td>
<td>Fiscal Year Ends Incentive Compensation credited</td>
</tr>
</tbody>
</table>
| 9/29/14    | If executive voluntarily terminates or is involuntarily terminated for cause before end of Performance Cycle, accrued Incentive Compensation is forfeited. No benefit is payable to the executive.
| 9/30/14    | Performance Cycle Ends                                                            |
AMENDMENT TO THE CITIZENS ENERGY GROUP
EXECUTIVE INCENTIVE PLAN

This Amendment to the Citizens Energy Group Executive Incentive Plan is adopted by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, doing business as Citizens Energy Group ("Citizens"), effective March 27, 2014.

BACKGROUND

A. Citizens established the Citizens Gas & Coke Utility Long-Term Incentive Compensation Plan, effective as of October 1, 1997, which was subsequently amended and restated from time to time, most recently effective as of October 1, 2012, and renamed as the Citizens Energy Group Executive Incentive Plan.

B. Citizens now desires to amend the Plan further.

AMENDMENT

Section 2.1(v) of the Citizens Energy Group Executive Incentive Plan is hereby amended in its entirety to read as follows:

(v) "Retirement" or "Retire" means retirement from Citizens and all affiliated employers that both (1) occurs on and after the date the Participant is entitled to an unreduced early retirement benefit under the Citizens Energy Group Retirement Plan and (2) has, by March 26, 2014, either already occurred or been declared, by written notice to the Company, to become effective on a retirement date that precedes September 30, 2015.

Citizens has caused this Amendment to the Plan to be executed this 27th day of March, 2014.
BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES OF THE CITY OF INDIANAPOLIS, DOING BUSINESS AS CITIZENS ENERGY GROUP.

By:  

Daniel C. Appel, Chair
DATA REQUEST NO. F.2: Please provide the actual metrics used and payouts of the Executive Incentive Plan for each of the last 5 years.

RESPONSE:

Please see the attached document identified as OUCC DR - 1.F2.

WITNESS:

Jodi L. Whitney
### Determination of Competitive Rates Percent Payout

#### Ranking in IEA Gas Rates Survey

<table>
<thead>
<tr>
<th>Competitive Rates Survey Ranking</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 2</td>
<td>150%</td>
</tr>
<tr>
<td>= 3-5</td>
<td>100%</td>
</tr>
<tr>
<td>= 6</td>
<td>50%</td>
</tr>
<tr>
<td>&gt; 6</td>
<td>0%</td>
</tr>
</tbody>
</table>

Where did Citizens Gas rank among participants?  
2009 result = 6th out of 12

The payout for the Competitive Rates for Gas is 50% of potential.

#### Ranking in Midwest Steam Suppliers Rates Survey

<table>
<thead>
<tr>
<th>Competitive Rates Survey Ranking</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 4</td>
<td>0%</td>
</tr>
<tr>
<td>= 3</td>
<td>100%</td>
</tr>
<tr>
<td>= 4</td>
<td>50%</td>
</tr>
<tr>
<td>&lt; 2</td>
<td>150%</td>
</tr>
</tbody>
</table>

Where did Citizens Steam rank among participants?  
2009 result = 4.0 out of 10

The payout for the Competitive Rates for Steam is 50% of potential.

### Determination of Customer Satisfaction Percent Payout

#### Citizens Gas Residential

<table>
<thead>
<tr>
<th>Indexed Performance</th>
<th>2009 CG Annual</th>
<th>2009 MSI Random Survey</th>
<th>Peer Db</th>
<th>Residential survey score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>119%</td>
</tr>
</tbody>
</table>

The payout for the Gas Residential Customer Satisfaction is accrued at 150% of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 95%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold 95%</td>
<td>50%</td>
</tr>
<tr>
<td>Target 105%</td>
<td>100%</td>
</tr>
<tr>
<td>Maximum ≥ 115%</td>
<td>150%</td>
</tr>
</tbody>
</table>

#### Citizens Gas Commercial/Industrial

<table>
<thead>
<tr>
<th>Indexed Performance</th>
<th>2009 Customer MSI</th>
<th>2009 Survey Peer Db</th>
<th>Commercial/Industrial survey score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

The payout for the Gas Commercial/Industrial Customer Satisfaction is accrued at 50% of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 100%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold 100%</td>
<td>50%</td>
</tr>
<tr>
<td>Target 110%</td>
<td>100%</td>
</tr>
<tr>
<td>Maximum ≥ 120%</td>
<td>150%</td>
</tr>
</tbody>
</table>

#### Citizens Thermal Loyalty

<table>
<thead>
<tr>
<th>CTE Loyalty Survey</th>
<th>2009 CTE Loyalty Survey score</th>
<th>100%</th>
</tr>
</thead>
</table>

The payout for the Citizens Thermal Loyalty is accrued at 150% of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 92%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold 92%</td>
<td>50%</td>
</tr>
<tr>
<td>Target 95%</td>
<td>100%</td>
</tr>
<tr>
<td>Maximum ≥ 98%</td>
<td>150%</td>
</tr>
</tbody>
</table>
## Determination of Competitive Rates Percent Payout

### Ranking in IEA Gas Rates Survey

**Where did Citizens Gas rank among participants?**

2010 result = 9th out of 14

<table>
<thead>
<tr>
<th>Competitive Rates Survey Ranking</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 6</td>
<td>0%</td>
</tr>
<tr>
<td>= 6</td>
<td>50%</td>
</tr>
<tr>
<td>= 3-5</td>
<td>100%</td>
</tr>
<tr>
<td>&lt; 2</td>
<td>150%</td>
</tr>
</tbody>
</table>

The payout for the Competitive Rates for Gas is **0%** of potential.

### Ranking in Midwest Steam Suppliers Rates Survey

**Where did Citizens Steam rank among participants?**

2010 result = 4.0 out of 10

<table>
<thead>
<tr>
<th>Competitive Rates Survey Ranking</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 4</td>
<td>0%</td>
</tr>
<tr>
<td>= 4</td>
<td>50%</td>
</tr>
<tr>
<td>= 3</td>
<td>100%</td>
</tr>
<tr>
<td>&lt; 2</td>
<td>150%</td>
</tr>
</tbody>
</table>

The payout for the Competitive Rates for Steam is **50%** of potential.

## Determination of Customer Satisfaction Percent Payout

### Citizens Gas Residential

<table>
<thead>
<tr>
<th>Indexed Performance</th>
<th>2010</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>CG Annual Random Survey</td>
<td>MSI Peer Db</td>
<td>Residential survey score</td>
</tr>
</tbody>
</table>

The payout for the Gas Residential Customer Satisfaction is accrued at **150%** of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 95%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold</td>
<td>95%</td>
</tr>
<tr>
<td>Target</td>
<td>105%</td>
</tr>
<tr>
<td>Maximum</td>
<td>115%</td>
</tr>
</tbody>
</table>

### Citizens Gas Commercial/Industrial

<table>
<thead>
<tr>
<th>Indexed Performance</th>
<th>2010</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>C/I Customer Sat Survey</td>
<td>MSI Peer Db</td>
<td>Commercial/Industrial survey score</td>
</tr>
</tbody>
</table>

The payout for the Gas Commercial/Industrial Customer Satisfaction is accrued at **103%** of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 100%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold</td>
<td>100%</td>
</tr>
<tr>
<td>Target</td>
<td>110%</td>
</tr>
<tr>
<td>Maximum</td>
<td>120%</td>
</tr>
</tbody>
</table>

### Citizens Thermal Loyalty

**2010 CTE Loyalty Survey**

CTE Loyalty survey score | 99%

The payout for the Citizens Thermal Loyalty is accrued at **150%** of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 52%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold</td>
<td>92%</td>
</tr>
<tr>
<td>Target</td>
<td>95%</td>
</tr>
<tr>
<td>Maximum</td>
<td>98%</td>
</tr>
</tbody>
</table>
## Determination of Competitive Rates Percent Payout

<table>
<thead>
<tr>
<th>Lower Gas Rates vs. 20 Cities Average</th>
<th>Ranking in Midwest Steam Suppliers Rates Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>How far below the 20 City Average are</td>
<td>Where did Citizens Steam rank among participants?</td>
</tr>
<tr>
<td>Citizens Gas rates?</td>
<td>2011 result = 5.0 out of 9</td>
</tr>
<tr>
<td>2011 result = 8.42% below</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Below 20 Cities Average Gas Rates</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 4% below</td>
<td>0%</td>
</tr>
<tr>
<td>= 4% below</td>
<td>50%</td>
</tr>
<tr>
<td>= 8% below</td>
<td>100%</td>
</tr>
<tr>
<td>&gt; 12% below</td>
<td>150%</td>
</tr>
</tbody>
</table>

The payout for the Competitive Rates for Gas is 105% of potential.

## Determination of Customer Satisfaction Percent Payout

### Citizens Gas Residential

<table>
<thead>
<tr>
<th>Indexed Performance</th>
<th>2011</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>CG Annual MSI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Random Survey Peer Db</td>
<td>116.1%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The payout for the Gas Residential Customer Satisfaction is accrued at 150% of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 95%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold</td>
<td>95%</td>
</tr>
<tr>
<td>Target</td>
<td>105%</td>
</tr>
<tr>
<td>Maximum</td>
<td>&gt; 115%</td>
</tr>
</tbody>
</table>

### Citizens Gas Commercial/Industrial

<table>
<thead>
<tr>
<th>Indexed Performance</th>
<th>2011</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>C/I Customer MSI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Survey Peer Db</td>
<td>107.1%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The payout for the Gas Commercial/Industrial Customer Satisfaction is accrued at 86% of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 100%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold</td>
<td>100%</td>
</tr>
<tr>
<td>Target</td>
<td>110%</td>
</tr>
<tr>
<td>Maximum</td>
<td>≥ 120%</td>
</tr>
</tbody>
</table>

## Citizens Thermal Loyalty

<table>
<thead>
<tr>
<th>2011 CTE Loyalty Survey</th>
<th>CTE Loyalty survey score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>97%</td>
</tr>
</tbody>
</table>

The payout for the Citizens Thermal Loyalty is accrued at 133% of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 92%</td>
<td>0%</td>
</tr>
<tr>
<td>Threshold</td>
<td>92%</td>
</tr>
<tr>
<td>Target</td>
<td>95%</td>
</tr>
<tr>
<td>Maximum</td>
<td>≥ 98%</td>
</tr>
</tbody>
</table>
for cycle #9 (2011-2012)  
CITIZENS ENERGY GROUP  
Executive Incentive Compensation in 2011

### Determination of System Reliability Percent Payout

<table>
<thead>
<tr>
<th>Gas System Reliability</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 99%</td>
<td>0%</td>
</tr>
<tr>
<td>99%</td>
<td>50%</td>
</tr>
<tr>
<td>99.5%</td>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
<td>150%</td>
</tr>
</tbody>
</table>

2011 result = 100.0%

The payout for the System Reliability for Gas is 150% of potential.

<table>
<thead>
<tr>
<th>Steam System Reliability</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 99%</td>
<td>0%</td>
</tr>
<tr>
<td>99%</td>
<td>50%</td>
</tr>
<tr>
<td>99.5%</td>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
<td>150%</td>
</tr>
</tbody>
</table>

2011 result = 99.97%

The payout for the System Reliability for Steam is 147% of potential.

### Determination of Supplier Diversity Percent Payout

Citizens Energy Group

2011 % of Minority Purchases = 20.6%

<table>
<thead>
<tr>
<th>% of Minority Purchases</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 10%</td>
<td>0%</td>
</tr>
<tr>
<td>10%</td>
<td>50%</td>
</tr>
<tr>
<td>14%</td>
<td>100%</td>
</tr>
<tr>
<td>18%</td>
<td>150%</td>
</tr>
</tbody>
</table>

The payout for the Supplier Diversity is 150% of potential.
## Determination of Competitive Rates Percent Payout

### Lower Gas Rates vs. 20 Cities Average

<table>
<thead>
<tr>
<th>% Below 20 Cities Average Gas Rates</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 4% below</td>
<td>0%</td>
</tr>
<tr>
<td>= 4% below</td>
<td>50%</td>
</tr>
<tr>
<td>= 8% below</td>
<td>100%</td>
</tr>
<tr>
<td>&gt; 12% below</td>
<td>150%</td>
</tr>
</tbody>
</table>

How far below the 20 City Average are Citizens Gas rates?

2012 result = 8.42% below

The payout for the Competitive Rates for Gas is 105% of potential.

### Ranking in Midwest Steam Suppliers Rates Survey

<table>
<thead>
<tr>
<th>Competive Rates Survey Ranking</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 4</td>
<td>0%</td>
</tr>
<tr>
<td>= 4</td>
<td>50%</td>
</tr>
<tr>
<td>= 3</td>
<td>100%</td>
</tr>
<tr>
<td>&lt; 2</td>
<td>150%</td>
</tr>
</tbody>
</table>

Where did Citizens Steam rank among participants?

2012 result = 5.0 out of 9

The payout for the Competitive Rates for Steam is 0% of potential.

## Determination of Customer Satisfaction Percent Payout

### Citizens Gas Residential

<table>
<thead>
<tr>
<th>Indexed Performance</th>
<th>2012</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>CG Annual</td>
<td>MSI Random Survey</td>
<td>Peer Db</td>
</tr>
<tr>
<td>Residential survey score</td>
<td>116.1%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The payout for the Gas Residential Customer Satisfaction is accrued at 150% of potential.

### Citizens Gas Commercial/Industrial

<table>
<thead>
<tr>
<th>Indexed Performance</th>
<th>2011</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>C/I Customer MSI</td>
<td>Survey</td>
<td>Peer Db</td>
</tr>
<tr>
<td>Commercial/Industrial survey score</td>
<td>107.1%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The payout for the Gas Commercial/Industrial Customer Satisfaction is accrued at 86% of potential.

## Citizens Thermal Loyalty

<table>
<thead>
<tr>
<th>CTE Loyalty Survey</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>CTE Loyalty survey score</td>
<td>97%</td>
</tr>
</tbody>
</table>

The payout for the Citizens Thermal Loyalty is accrued at 133% of potential.
### Determination of System Reliability Percent Payout

<table>
<thead>
<tr>
<th>Gas System Reliability</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 99%</td>
<td>0%</td>
</tr>
<tr>
<td>99%</td>
<td>50%</td>
</tr>
<tr>
<td>99.5%</td>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
<td>150%</td>
</tr>
</tbody>
</table>

2012 result = 100.0%

The payout for the System Reliability for Gas is 150% of potential.

<table>
<thead>
<tr>
<th>Steam System Reliability</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 99%</td>
<td>0%</td>
</tr>
<tr>
<td>99%</td>
<td>50%</td>
</tr>
<tr>
<td>99.5%</td>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
<td>150%</td>
</tr>
</tbody>
</table>

2012 result = 99.97%

The payout for the System Reliability for Steam is 147% of potential.

### Determination of Supplier Diversity Percent Payout

<table>
<thead>
<tr>
<th>% of Minority Purchases</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 12%</td>
<td>0%</td>
</tr>
<tr>
<td>12%</td>
<td>50%</td>
</tr>
<tr>
<td>16%</td>
<td>100%</td>
</tr>
<tr>
<td>20%</td>
<td>150%</td>
</tr>
</tbody>
</table>

2012 % of Minority Purchases = 20.6%

The payout for the Supplier Diversity is 150% of potential.
### Determination of Competitive Rates Percent Payout

**Lower Gas Rates vs. 20 Cities Average**

How far below the 20 City Average are Citizens Gas rates?

2013 result = 8.98% below

<table>
<thead>
<tr>
<th>% Below 20 Cities Average Gas Rates</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 4% below</td>
<td>0%</td>
</tr>
<tr>
<td>= 4% below</td>
<td>50%</td>
</tr>
<tr>
<td>= 8% below</td>
<td>100%</td>
</tr>
<tr>
<td>&gt; 12% below</td>
<td>150%</td>
</tr>
</tbody>
</table>

The payout for the Competitive Rates for Gas is 112% of potential.

**Ranking in Midwest Steam Suppliers Rates Survey**

Where did Citizens Steam rank among participants?

2013 result = 7.3 out of 9

<table>
<thead>
<tr>
<th>Competitive Rates Survey Ranking Composite</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 5</td>
<td>0%</td>
</tr>
<tr>
<td>= 5</td>
<td>50%</td>
</tr>
<tr>
<td>= 4</td>
<td>100%</td>
</tr>
<tr>
<td>&lt; 3</td>
<td>150%</td>
</tr>
</tbody>
</table>

The payout for the Competitive Rates for Steam is 0% of potential.

### Determination of Customer Satisfaction Percent Payout

**Citizens Gas Residential**

Indexed Performance

<table>
<thead>
<tr>
<th>Residential survey score</th>
<th>2013</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>CG Annual MSI Random Survey Peer Db</td>
<td>91.1%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The payout for the Gas Residential Customer Satisfaction is accrued at 0% of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 95%</td>
<td>0%</td>
</tr>
<tr>
<td>Target</td>
<td>105%</td>
</tr>
<tr>
<td>Maximum</td>
<td>≥ 115%</td>
</tr>
</tbody>
</table>

**Citizens Gas Commercial/Industrial**

Indexed Performance

<table>
<thead>
<tr>
<th>Commercial/Industrial survey score</th>
<th>2013</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSI Peer Db</td>
<td>94.8%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The payout for the Gas Commercial/Industrial Customer Satisfaction is accrued at 0% of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 100%</td>
<td>0%</td>
</tr>
<tr>
<td>Target</td>
<td>110%</td>
</tr>
<tr>
<td>Maximum</td>
<td>≥ 120%</td>
</tr>
</tbody>
</table>

**Citizens Thermal Loyalty**

2013 CTE Loyalty Survey

<table>
<thead>
<tr>
<th>CTE Loyalty survey score</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>98.5%</td>
<td></td>
</tr>
</tbody>
</table>

The payout for the Citizens Thermal Loyalty is accrued at 125% of potential.

<table>
<thead>
<tr>
<th>Score</th>
<th>Potential Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 92%</td>
<td>0%</td>
</tr>
<tr>
<td>Target</td>
<td>92%</td>
</tr>
<tr>
<td>Maximum</td>
<td>≥ 98%</td>
</tr>
</tbody>
</table>
### Executive Incentive Compensation in 2013

#### Determination of System Reliability Percent Payout

<table>
<thead>
<tr>
<th>Gas System Reliability</th>
<th>2013 result = 100.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas System Reliability</td>
<td>Potential Pay</td>
</tr>
<tr>
<td>&lt; 99%</td>
<td>0%</td>
</tr>
<tr>
<td>99%</td>
<td>50%</td>
</tr>
<tr>
<td>99.5%</td>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
<td>150%</td>
</tr>
</tbody>
</table>

The payout for the System Reliability for Gas is 150% of potential.

<table>
<thead>
<tr>
<th>Steam System Reliability</th>
<th>2013 result = 99.99%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Steam System Reliability</td>
<td>Potential Pay</td>
</tr>
<tr>
<td>&lt; 99%</td>
<td>0%</td>
</tr>
<tr>
<td>99%</td>
<td>50%</td>
</tr>
<tr>
<td>99.5%</td>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
<td>150%</td>
</tr>
</tbody>
</table>

The payout for the System Reliability for Steam is 149% of potential.

#### Water System Reliability

<table>
<thead>
<tr>
<th>2013 result = 99.99%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Water System Reliability</td>
</tr>
<tr>
<td>&lt; 99%</td>
</tr>
<tr>
<td>99%</td>
</tr>
<tr>
<td>99.5%</td>
</tr>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

The payout for the System Reliability for Water is 149% of potential.

#### Determination of Supplier Diversity Percent Payout

<table>
<thead>
<tr>
<th>Citizens Energy Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>2013 % of Minority Purchases = 28.7%</td>
</tr>
<tr>
<td>% of Minority Purchases</td>
</tr>
<tr>
<td>&lt; 18%</td>
</tr>
<tr>
<td>&gt; 18%</td>
</tr>
<tr>
<td>&gt; 22%</td>
</tr>
<tr>
<td>&gt; 26%</td>
</tr>
</tbody>
</table>

The payout for the Supplier Diversity is 150% of potential.
DATA REQUEST NO. F.3: Please provide the 2014 Short-Term Incentive Pay Plan.

RESPONSE:

Please see the attached document identified as OUCC DR - 1.F3.

WITNESS:

Jodi L. Whitney
FY 2014 Short-Term Incentive Pay Plan Overview:

Incentive pay is a team-based pay-for-performance program based on measures that help us achieve our Vision to serve our customers and communities with unparalleled excellence and integrity.

How the Plan works

The 2014 Short-Term Incentive Pay (STIP) Plan includes all regular Corporate Support Services, Energy, Water, and Shared Field Services employees. Incentive pay is team-based pay-for-performance and is determined by Performance Measures that indicate whether performance goals are met and determine how much of the incentive will be paid out. A Financial Trigger exists to prevent any payout in the event the Trust does not generate a sufficient amount of cash flow to cover its debt service, plus a continued level of capital spending. The Financial Trigger has no bearing on the amount of incentive payout; it only determines if a payout can be made. The amount of payout is determined only by the Performance Measures.

Performance Measures determine how much incentive has been earned. The STIP Plan looks at our performance in three key areas - Customer Satisfaction, Quality, and Safety. The Final Performance Percentage for the measure is determined by actual year-end performance results in relation to the measure's Achievement Scale. However, an employee fatality will result in a zero payout in Safety for all divisions.
## FY 2014 Short-Term Incentive Plan

<table>
<thead>
<tr>
<th>Financial Trigger</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)</td>
<td>2 $200M</td>
</tr>
</tbody>
</table>

### Performance Measures

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>Threshold</th>
<th>Target</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.00% MSI Key Driver Customer Service Commitment (2)</td>
<td>Top 30%</td>
<td>Top 20%</td>
<td>Top 10%</td>
</tr>
<tr>
<td>(60% Residential, 40% Commercial/Industrial)</td>
<td>(in the national benchmark group)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.00% MSI Key Driver: Corporate Accountability (4)</td>
<td>Top 30%</td>
<td>Top 20%</td>
<td>Top 10%</td>
</tr>
<tr>
<td>(30% Residential, 70% Commercial/Industrial)</td>
<td>(in the national benchmark group)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20.00% Overall Customer Satisfaction Index (J.D. Powers)</td>
<td>Top 30%</td>
<td>Top 20%</td>
<td>Top 10%</td>
</tr>
<tr>
<td>(of the Midwest companies)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quality</th>
<th>Band 4</th>
<th>Band 5</th>
<th>Band 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.00% National Baldrige &quot;Process&quot; Scoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.00% National Baldrige &quot;Result&quot; Scoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25.00% ISO 9001 - Maintain Certification</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25.00% ISO 10001 - Maintain Certification</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Safety

<table>
<thead>
<tr>
<th>Safety</th>
<th>CSS</th>
<th>Energy</th>
<th>SPS</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.00% DART Rate (based on cases)</td>
<td>1.85</td>
<td>2.25</td>
<td>2.7</td>
<td>2.7</td>
</tr>
</tbody>
</table>

### Vehicle Accidents (chargeable)

<table>
<thead>
<tr>
<th>Safety</th>
<th>CSS</th>
<th>Energy</th>
<th>SPS</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.00% Vehicle Accidents (chargeable)</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

### Achievement Scale:
- Customer Satisfaction is sliding; Quality is not sliding; Vehicle accidents is not sliding.

### Definitions:
- **EBITDA**: Defined as the actual EBITDA for FY 2014, computation includes all affiliate dividends.
- **Customer Service Commitment**: Measures that are benchmarked 1) Showing concerns and caring 2) Being responsive to customer needs and 3) Being easy to do business with.
- **Corporate Accountability**: Measures that are benchmarked 1) Being well managed 2) Being a company you can trust.
- **J.D. Power**: Measuring satisfaction of gas customers.
- National Baldrige site visit triggers an automatic payout of 15%. A National Award triggers an automatic payout of 150%.
- Any work-related fatality will cause a zero payout in safety for all divisions.
- Outstanding Safety Trigger: To receive above 90% for safety in any division, that division must have attendance at all safety meetings above 90%. (For 2014 this measure begins with February meetings.)
Achievement Scale – The scale used to determine the STIP pay-out percentage based on actual year-end results for each Performance Measure. Some measures use a sliding scale, while others use a static scale.

National Baldrige Criteria for Performance Excellence – Citizens uses the Criteria for Performance Excellence, an annual quality assessment, as a tool to improve performance and business processes. The Criteria was developed as part of an annual award program established by Congress to recognize organizations for their achievements in quality and business performance. There are six Process Categories with two items (sub-categories) each, and one Results Category with five items. The performance payout is not on a sliding scale.

Base Salary – An employee's compensation (excluding benefits) as of September 30th, 2014 that is used in calculating the individual's Short-Term Incentive Pay.

Days Away, Restricted or Transferred (DART) Rate – A DART case is a subset of OSHA recordable cases where the injury/illness is severe enough that the individual loses time away from their job by being away from work, on restricted duty, or transferred to another job function because of the injury. The rate is the number of DART cases multiplied by (200,000 hours/annual hours worked).

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) – Trust net income before interest expense, taxes, depreciation and amortization.

Employee Incentive Opportunity – Percentage of base salary determined by job classification used in the calculation of individual Short-Term Incentive Pay.

Final Performance Percentage – Percentage of pay-out as determined by where actual year end performance results fall on the Achievement Scales.

MSI Key Driver: Customer Service Commitment – This is included in the STIP plan by indexing percent positive (6-10 ratings on a scale of 0-10) performance for three nationally benchmarked attributes – Showing concern and caring, Being responsive to customer needs, and Being easy to do business with. Performance is calculated by dividing Citizens' rank by the total number of companies in the MSI national benchmark database.

MSI Key Driver: Corporate Accountability – Another Key Driver determined by MSI research is Corporate Accountability. This is included in the STIP plan by indexing percent positive (6-10 ratings on a scale of 0-10) performance for two nationally benchmarked attributes – Being well-managed and Being a company you can trust. Performance is calculated by dividing Citizens' rank by the total number of companies in the MSI national benchmark database.
Overall Gas Customer Satisfaction Index (J.D. Power) – J.D. Power conducts nationally syndicated studies that serve as industry benchmarks for measuring and tracking quality and customer satisfaction. The Customer Satisfaction Index (CSI) is derived from the 2014 J.D. Power & Associates Residential Natural Gas Residential Customer Satisfaction Study and is a composite based on six key components – Billing & Payment (29%), Price (25%), Corporate Citizenship (20%), Communications (18%), Customer Service (4%), and Field Service (4%). Citizens’ performance is based on our relative performance within the Midwest Region (e.g. Top 10%, 20% or 30%). Percent of payout is determined by dividing Citizens’ rank by the total number of companies in the Midwest Region.

Vehicle Accidents (chargeable) – Motor vehicle accidents include collisions that occur on company time either in personal or company vehicles. The accident may or may not include injury to the driver, passengers, or occupants of another vehicle. For our incentive, the calculation does not include those collisions that are deemed non-preventable. Examples of non-preventable accidents are being rear-ended while stopped in traffic or being struck by another vehicle who failed to stop at a traffic light/stop sign.

Questions and Answers

How will my Short-Term Incentive Pay be calculated?
Your Short-Term Incentive Pay is calculated as follows: Year End Base Salary x Employee Incentive Opportunity x Final Performance Percentage. Part-time employees’ payout will be calculated on actual straight time hours worked during FY2014. This will result in a payout more indicative of the part-time employees’ impact on STIP measures.

How can I impact the Financial Trigger?
All employees directly and indirectly impact EBITDA. For example, spending decisions involving expense or capital impact earnings. Our own productivity and the use of available resources impact how much or how little we must spend to accomplish our work. Uncollectible expenses (customers who have not paid their bill or revenue we did not receive) can also have a big impact on earnings. Including this financial measure as a part of the Incentive Plan assesses the financial status of the Trust and ensures its financial integrity before any incentive compensation is funded.

How can I impact the performance measures?
All employees directly and indirectly impact the measures. Shown below are a few examples.

Customer Satisfaction – All employees have internal and/or external customers. Obviously, field personnel, customer service and marketing personnel interface directly with external customers and have a huge impact on our MSI Customer Service Commitment and Corporate Accountability measures as well as the Customer and Field Service components of the JD Power Customer Satisfaction Index. Others indirectly influence customer perceptions by providing services to internal customers who are trying to meet external customer needs. Environmental
compliance related to air and water standards influence customers' perception about Citizens' ability to protect the environment. Outside of our work environment, we are all ambassadors of Citizens, and our actions can impact customer or potential customer perceptions.

Safety – A safe and accident-free workplace is an ongoing objective for the Utility. The key to a safe workplace is accident prevention. All employees should know and follow the specific rules for their areas. While some areas are often more hazardous than others, slips and collisions can occur anywhere. Employees have a significant impact on our safety record and medical expenditures. All employees should read and follow the rules contained in the Citizens' Safety Manual and must be alert to and report unsafe conditions.

Quality – Continuous improvement is the underlying philosophy of the National Baldrige Criteria for Performance Excellence assessment process. All aspects of your work processes, performance results, and personal learning impact numerous items within the Criteria. For the detailed criteria, please reference the web site: http://www.nist.gov/baldrige

How do these measures relate to the Baldrige Criteria? The following diagram provides a reference and systems perspective of the seven main categories that make up the Criteria.
EBITDA - This financial trigger determines if the Trust is able to make an incentive pay-out. The Baldrige Criteria asks that we provide levels, trends, and appropriate comparisons for key financial and market indicators that provide a complete picture of our financial and marketplace success and challenges (Category 7 - Results). This is one of the key measures that is tracked by senior leadership on an ongoing basis to assess our performance. It is impacted by how well we execute our business initiatives (Category 2 - Strategic Planning), by the performance measurement systems we use within divisions and departments to make decisions related to daily operations (Category 4 - Measurement, Analysis, and Knowledge Management) and how well we manage our key processes for product and service design and delivery (Category 6 - Operations Focus).

Customer Satisfaction - The MSI and J.D. Power surveys are the key measures our leaders use to monitor Customer Satisfaction performance. Our data is reported in Category 7 (Results) along with regional data from Market Strategies Inc. These results provide meaningful information for understanding our customers and the marketplace (Category 3 - Customer Focus) and for proactively managing our relationships with various stakeholders. Category 4 (Measurement, Analysis, and Knowledge Management) examines whether or not these are the right performance measures partially by ensuring that customer satisfaction is closely linked to our overall strategies and business plans (Category 2 - Strategic Planning).

Quality - The Criteria for Performance Excellence was initiated in 1987 to promote quality as an increasingly important approach for improving the competitiveness of American companies. Today, it continues to be the best set of guidelines for running an effective organization. The criteria have evolved significantly over time and have progressed toward a comprehensive, integrated systems perspective of organizational performance management. It has been adopted by many companies and is used by the military, federal government, schools and healthcare institutions.

Safety - A safe work environment impacts employee well-being, satisfaction and motivation (Category 5 - Human Resource Focus). Safety and employee satisfaction goals and measures are mentioned in Category 2 (Strategic Planning) and Category 4 (Measurement, Analysis, and Knowledge Management). Safety and employee satisfaction results are presented in Category 7 (Results). Safety is one of our five Values.

Why Is Thermal Customer Satisfaction not included as one of the Performance Measures?
We are not measuring Thermal Customer Satisfaction this year in response to customer comments regarding the number of surveys they have been receiving. The plan is to include Thermal Customers in this measurement every two years. Thermal customers will be surveyed in calendar year 2015 and included in the FY 2015 STIP measures.
What if there are extraordinary events?
Only events which are truly outside of management's control are considered extraordinary (e.g. tornado or earthquake). The Compensation & Finance Committee of the Board of Directors will determine if extraordinary events should be included or excluded from calculating Trust results and those recommendations must be approved by the Board of Directors.

If an incentive pay-out is earned, when will it be paid?
The incentive will be paid out as soon as the fiscal year's results for the Financial Trigger and Performance Measures are finalized. Most often, this occurs in December when information from the audited financial statements becomes available.

Where can I find information about our Incentive Plan progress?
Information is updated quarterly and can also be found on iTrust, bulletin boards throughout Citizens and at departmental meetings. In addition, a worksheet that calculates your payout based on your base salary and actual achievement levels will be available on the Citizens Intranet home page – iTrust when all measurements are finalized and approved.

Who can I talk to if I have additional questions about the Short-Term Incentive Plan?
Please see your immediate supervisor with any additional questions regarding the STIP Plan or contact Russ Clemens at 927-6405 or Komal Dave-Patel at 927-4610
DATA REQUEST NO. F.4: Please provide the actual metrics used and payouts of the Short-Term Incentive Pay Plan for each of the last 5 years.

RESPONSE:

Please see the attached document identified as OUCC DR - 1.F4.

WITNESS:

Jodi L. Whitney
<table>
<thead>
<tr>
<th>Year</th>
<th>Name of the Plan</th>
<th>Who</th>
<th>Funding Measure</th>
<th>Value Details</th>
<th>Actual Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Short-Term Incentive</td>
<td>All CSS, CTF, Gas/Oil, Water</td>
<td>EBITDA 2 500M</td>
<td>GAS = 500.0%</td>
<td>CTE = 136.42%</td>
</tr>
<tr>
<td></td>
<td>and Bargaining</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Measures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25.00% Overall Gas Customer Satisfaction Index (MIS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100% Residential, 10% Commercial/Industrial</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>15.00% Overall Gas Customer Satisfaction Index (100 Powers)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Top % of MI Industry (1000)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>5.00% Thermal Customer Satisfaction/Loyalty</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>35% Quality (Baldrige Assessment Score)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Safety-Related Accidents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Short-Term Incentive</td>
<td>All CSS, CTF, Gas/Oil, Water</td>
<td>EBITDA 2 500M</td>
<td>GAS = 378.77%</td>
<td>CTE = 112.25%</td>
</tr>
<tr>
<td></td>
<td>and Bargaining</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Measures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25.00% Overall Gas Customer Satisfaction Index (MIS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100% Residential, 10% Commercial/Industrial</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>15.00% Overall Gas Customer Satisfaction Index (100 Powers)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Top % of MI Industry (1000)</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.00% Thermal Customer Satisfaction/Loyalty</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10% Quality (Baldrige Assessment Score)</td>
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<tr>
<td></td>
<td>Safety-Related Accidents</td>
<td></td>
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<td></td>
<td>Safety-Related Accidents</td>
<td></td>
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</tr>
<tr>
<td>2011</td>
<td>Short-Term Incentive</td>
<td>All CSS, CTF, Gas/Oil, Water</td>
<td>EBITDA 2 500M</td>
<td>GAS = 111.8%</td>
<td>CTE = 325.48%</td>
</tr>
<tr>
<td></td>
<td>and Bargaining</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Measures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25.00% Overall Gas Customer Satisfaction Index (MIS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100% Residential, 10% Commercial/Industrial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15.00% Overall Gas Customer Satisfaction Index (100 Powers)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Top % of MI Industry (1000)</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>12.50% Quality (Baldrige Assessment Score)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Safety-Related Accidents</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Safety-Related Accidents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Short-Term Incentive</td>
<td>All CSS, CTF, Gas/Oil, Water</td>
<td>EBITDA 2 500M</td>
<td>GAS = 110%</td>
<td>CTE = 112.5%</td>
</tr>
<tr>
<td></td>
<td>and Bargaining</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Measures:</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>25.00% Overall Gas Customer Satisfaction Index (MIS)</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>100% Residential, 10% Commercial/Industrial</td>
<td></td>
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<tr>
<td></td>
<td>15.00% Overall Gas Customer Satisfaction Index (100 Powers)</td>
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</tr>
<tr>
<td></td>
<td>Top % of MI Industry (1000)</td>
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<td></td>
<td>10% Quality (Baldrige Assessment Score)</td>
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<tr>
<td></td>
<td>Safety-Related Accidents</td>
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<tr>
<td></td>
<td>Safety-Related Accidents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>Short-Term Incentive</td>
<td>All CSS, CTF, Gas/Oil, Water</td>
<td>EBITDA 2 500M</td>
<td>GAS = 120%</td>
<td>CTE = 125.12%</td>
</tr>
<tr>
<td></td>
<td>and Bargaining</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Measures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25.00% Overall Gas Customer Satisfaction Index (MIS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100% Residential, 10% Commercial/Industrial</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>15.00% Overall Gas Customer Satisfaction Index (100 Powers)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Top % of MI Industry (1000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10% Quality (Baldrige Assessment Score)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Safety-Related Accidents</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Safety-Related Accidents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>Short-Term Incentive</td>
<td>All CSS, CTF, Gas/Oil, Water</td>
<td>EBITDA 2 500M</td>
<td>GAS = 110%</td>
<td>CTE = 125.12%</td>
</tr>
<tr>
<td></td>
<td>and Bargaining</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Measures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10% Key Drivers / Customer Service Orientation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10% Residential, 10% Commercial/Industrial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10% Key Drivers / Corporate Accountability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10% Residential, 10% Commercial/Industrial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15.00% Overall Gas Customer Satisfaction Index (100 Powers)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Top % of MI Industry (1000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10% Quality (Baldrige Assessment Score)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Safety-Related Accidents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FY 2009 Short-Term Incentive Plan

**Funding Measures**

determines if any incentive will be paid out.

- Earnings Before Interest, Taxes, Depreciation and Amortization (2) (EBITDA) ≥ $60M
  - FY09: $82.8M

**Performance Measures**
determine how much incentive will be paid out.

<table>
<thead>
<tr>
<th>Achievement Scale (1)</th>
<th>Threshold 50%</th>
<th>Target 100%</th>
<th>Outstanding 150%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.00% Thermal Customer Satisfaction/Loyalty</td>
<td>92%</td>
<td>95%</td>
<td>98%</td>
</tr>
<tr>
<td>25.00% Overall Gas Customer Satisfaction Index (MSI) (90% Residential, 10% Commercial/Industrial)</td>
<td>60</td>
<td>100</td>
<td>110</td>
</tr>
<tr>
<td>10.00% Overall Gas Customer Satisfaction Index (J.D.Power) (Top % of all Midwest Region Utilities; 1000 pt. scale)</td>
<td>30%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25.00% Baldrige Assessment Score</td>
<td>584</td>
<td>604</td>
<td>624</td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25.00% DART Rate (based on cases)</td>
<td>CSS 2</td>
<td>1.75</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>CTE 3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Gas/Oil 4</td>
<td>3.5</td>
<td>3</td>
</tr>
<tr>
<td>10.00% Vehicle Accidents (chargeable)</td>
<td>CSS 3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>CTE 3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Gas/Oil 7</td>
<td>5</td>
<td>3</td>
</tr>
</tbody>
</table>

* Any work-related fatality will cause a zero payout in Safety for all divisions.

(1) Achievement Scales are sliding.
(2) EBITDA is defined as the actual EBITDA for FY 2009, except the amount included as ProLiance (PLE) earnings will be the average Citizens Resources' share of PLE earnings for FY 2007-2009.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSS</td>
<td>130.08%</td>
</tr>
<tr>
<td>CTE</td>
<td>128.45%</td>
</tr>
<tr>
<td>Gas</td>
<td>130.08%</td>
</tr>
</tbody>
</table>
**FY 2010 Short-Term Incentive Plan**

Determines if any incentive will be paid out. Earnings Before Interest, Taxes, Depreciation and Amortization (2) (EBITDA) determines how much incentive will be paid out.

<table>
<thead>
<tr>
<th>Achievement Scale (1)</th>
<th>Threshold</th>
<th>Target</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>50%</td>
<td>100%</td>
<td>150%</td>
</tr>
<tr>
<td>5.00% Thermal Customer Satisfaction/Loyalty</td>
<td>92%</td>
<td>95%</td>
<td>98%</td>
</tr>
<tr>
<td>25.00% Overall Gas Customer Satisfaction Index (MSI) (90% Residential, 10% Commercial/Industrial)</td>
<td>30%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>10.00% Overall Gas Customer Satisfaction Index (J.D.Power) (Top % of all Midwest Region Utilities; 1000 pt. scale)</td>
<td>30-45%</td>
<td>50-65%</td>
<td>70-85%</td>
</tr>
</tbody>
</table>

**Quality**

Baldrige Assessment Score

<table>
<thead>
<tr>
<th>Process</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-45%</td>
<td>30-45%</td>
</tr>
</tbody>
</table>

**Safety**

<table>
<thead>
<tr>
<th>DART Rate (based on cases)</th>
<th>CSS</th>
<th>CTE</th>
<th>Gas/Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.00%</td>
<td>1.5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Vehicle Accidents (chargeable)</td>
<td>CSS</td>
<td>CTE</td>
<td>Gas/Oil</td>
</tr>
<tr>
<td>10.00%</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

- *Any work-related fatality will cause a zero payout in Safety for all divisions.*

(1) Achievement Scales are sliding.

(2) EBITDA is defined as the actual EBITDA for FY 2010, except the amount included as ProLiance (PLE) earnings will be the average Citizens Resources' share of PLE earnings for FY 2008-2010.

<table>
<thead>
<tr>
<th>Sep FY10</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>$73.6M</td>
<td>70.80%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

- CSS Total: 117.27%
- CTE Total: 112.27%
- Gas/Oil Total: 107.27%
determines if any incentive will be paid out.

Earnings Before Interest, Taxes, Depreciation and Amortization (2) (EBITDA) 4th Quarter Results pending external audit review
determine how much incentive will be paid out.

Achievement Scale (1)

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>Threshold</th>
<th>Target</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal Customer Satisfaction/Loyalty</td>
<td>5.00%</td>
<td>92%</td>
<td>95%</td>
</tr>
<tr>
<td>Overall Gas Customer Satisfaction Index (MSI)</td>
<td>25.00%</td>
<td>90</td>
<td>100</td>
</tr>
<tr>
<td>(95% Residential, 10% Commercial/Industrial)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall Gas Customer Satisfaction Index (J.D.Power)</td>
<td>10.00%</td>
<td>20%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Quality
Baldrige Assessment Score
12.50% Process | 30.45% | 50-65% | 70-85% |
12.50% Results | 30-45% | 50-65% | 70-85% | SitVisit | 11/17-11/21 |

Safety*
25.00% DART Rate (based on cases)
CSS | 1.6 | 1 | 0.5 | 0 |
CTE | 2 | 1.5 | 1 | 1.71 |
Gas/Oil | 2.5 | 2 | 1.5 | 2.33 |
10.00% Vehicle Accidents (chargeable)
CSS | 2 | 1 | 0 | 0 |
CTE | 2 | 1 | 0 | 0 |
Gas/Oil | 4 | 3 | 2 | 8 |

100% * A work-related fatality may be cause for a zero payout in Safety for all divisions.

(1) Achievement Scales are sliding.
(2) EBITDA is defined as the actual EBITDA for FY 2011 including affiliate dividends.
## FY 2012 STIP Model

### FY 2012 Short-Term Incentive Plan - 4th Quarter Results

**Earnings Before Interest, Taxes, Depreciation and Amortization (1)**

(Determines if any incentive will be paid out.

**Customer Satisfaction**

25.00% Overall Gas Customer Satisfaction Index (MS1)
(90% Residential, 10% Commercial/Industrial)

<table>
<thead>
<tr>
<th>Achievement Scale (2)</th>
<th>5200M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold</td>
<td>85%</td>
</tr>
<tr>
<td>Target</td>
<td>90</td>
</tr>
<tr>
<td>Outstanding</td>
<td></td>
</tr>
<tr>
<td>FY 2012</td>
<td>111.1</td>
</tr>
</tbody>
</table>

15.00% Overall Gas Customer Satisfaction Index (J.D. Power)
Represents the top of the index

<table>
<thead>
<tr>
<th>Quality(3)</th>
<th>National Baldrige Assessment Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 of 12</td>
<td>2 of 5</td>
</tr>
<tr>
<td>4 of 12</td>
<td>5 of 5</td>
</tr>
<tr>
<td>6 of 12</td>
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</tr>
<tr>
<td>Available</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td></td>
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</tbody>
</table>

**Safety(4)**

25.00% DART Rate (based on cases)

<table>
<thead>
<tr>
<th>CSS</th>
<th>CTE</th>
<th>Gas/Oil</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
<td>2.2</td>
<td>2.6</td>
<td>3</td>
</tr>
<tr>
<td>1</td>
<td>1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>2.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10.00% Vehicle Accidents (X cases)

<table>
<thead>
<tr>
<th>CSS</th>
<th>CTE</th>
<th>Gas/Oil</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>2</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>3</td>
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</tr>
<tr>
<td>0</td>
<td>0</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

---

**EBITDA** is defined as the actual EBITDA for FY 2012, computation includes affiliate dividends.

**Achievement Scales are sliding for Customer Satisfaction and Safety. Achievement scales for Quality are anchored.**

A National site visit will yield a payout at the outstanding performance level.

Any work-related facility will cause a zero payout in Safety for all divisions.
## FY 2013 STIP Model

**FY 2013 Short-Term Incentive Plan - 4th Quarter Results**

### Customer Satisfaction

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target</th>
<th>Achieved</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Gas Customer Satisfaction Index (MSQ) (Top 10% Residential, 10% Commercial/Industrial)</td>
<td>100</td>
<td>100</td>
<td>0%</td>
</tr>
<tr>
<td>Overall Gas Customer Satisfaction Index (G.D. Power) (Top 10% Residential)</td>
<td>100</td>
<td>100</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Quality Performance Excellence

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target</th>
<th>Achieved</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISO OMS</td>
<td>100</td>
<td>100</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Dash (based on cases)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Lead</th>
<th>Energy</th>
<th>HPS</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSS</td>
<td>2.5</td>
<td>2</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Energy</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>HPS</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Water</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

### Vehicle Accidents (chargeable)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Lead</th>
<th>Energy</th>
<th>HPS</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSS</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Energy</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>HPS</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Water</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

### Additional Notes

- **FY 2013**: 10/27
- **FY 2014**: 10/27

---

**Other relevant metrics**

- **CSS**: Customer Service Score
- **Energy**: Energy Efficiency
- **HPS**: Hardware Performance Score
- **Water**: Water Efficiency

---

**FY 2013 Summary**

- **Overall Gas Customer Satisfaction Index**: 100%
- **Overall Gas Customer Satisfaction Index (G.D. Power)**: 100%
- **ISO OMS**: 100%

---

**FY 2014 Summary**

- **Overall Gas Customer Satisfaction Index**: 100%
- **Overall Gas Customer Satisfaction Index (G.D. Power)**: 100%
- **ISO OMS**: 100%
G. Application of Low Income Home Energy Assistance Program ("LIHEAP") and Universal Service Program ("USP") Funds

DATA REQUEST NO. G.1: Under Cause No. 44094, Citizens Gas is required to file the Universal Service Fund Rider by October 1 of each year. In relation to the report filed on September 30, 2013 in Cause No. 44094, please answer the following question:

Line 3 of Schedule 1 shows projected program customer discounts and USF crisis fund amounts of $1,673,989 to be recovered for the next year. Please indicate if these projected program customer discounts and USF crisis funds are for gas customers only, or if it includes discounts for water/wastewater customers as well.

RESPONSE:

The $1,673,989 is projected based solely on gas charges.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. G.2: Under Cause No. 44094, Citizens Gas is required to file an annual report regarding information on the Universal Service Program. In relation to the report filed on October 30, 2013 in Cause No. 44094, please answer the following questions:

a. Line 4 under Program Results shows Customer Distributions of $1,538,012 for the twelve months ending September 30, 2013. Is this the total amount of distributions for Citizens Gas customers only, or does this amount include any distributions to Citizens Water/Wastewater customers?

b. In relation to subpart a., does this amount include any distributions to pay for non-utility portions of customers' bills?

RESPONSE:

a. The basis for the $1,538,012 was gas charges only. The payment application method used caused a portion of these funds to be applied to water, wastewater charges and non-utility charges. The payment application method is being addressed and will be corrected for next heating season.

b. See Citizens' response to Data Request No. G.2.a. above.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. G.3: Please provide a copy of the Memorandum of Understanding ("MOU") between Citizens and Indiana Housing and Community Development Authority ("IHCD")..

RESPONSE:

Please see the attached document identified as OUCC DR – 1.G3.

WITNESS:

Michael D. Strohl
ENERGY ASSISTANCE PROGRAM
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") entered into by and between the Indiana Housing and Community Development Authority ("IHCD") and (Vendor) ("Vendor") is effective as of October 1, 2013.

RECITALS

WHEREAS, IHCD administers the Energy Assistance and Leveraging Incentive Programs ("EAP") pursuant to the federal Low-Income Home Energy Assistance Act, 42 U.S.C. § 8621 et seq.; 45 C.F.R. § 96.80, and the Leveraging Incentive Program contained in the Low-Income Home Energy Assistance Act, 42 U.S.C. § 8626a; and

WHEREAS, Vendor provides heat and/or utility service(s) (the "Services") to residents of the State of Indiana served by the following Community Action Agencies:

(Check all that apply)

☐ Area V  ☐ Area IV  ☐ CFS  ☐ CAEC  ☐ STEOC
☐ CAGI  ☐ CANI  ☐ CASI  ☐ COWI  ☐ PACE
☐ CAPE  ☐ TRI-CAP  ☐ HUEDC  ☐ HS-I  ☐ WICAA
☒ ICAP  ☐ JS-CICAP  ☐ LHDC  ☐ NCCAA  ☐ JHBCC
☐ NWICA  ☐ OVO  ☐ REAL  ☐ SCCAP

WHEREAS, Vendor desires to provide the Services in connection with EAP; and

WHEREAS, Vendor and IHCD desire to set forth their mutual understandings related to Vendor providing Services for individuals participating in EAP.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Term. This MOU is valid for a one year term (October 1, 2013 through September 30, 2014).

2. Renewal. This MOU cannot be renewed. Vendor must complete a new MOU each program year to receive funds from the program.

3. Local Administrators. Vendor acknowledges that IHCD contracts with Subgrantees to administer EAP, and that the Subgrantee will notify Vendor of client EAP eligibility and
provide Vendor with the documents necessary to submit claims for payment under EAP. Vendor shall follow the processes set forth by the Subgrantee, and shall submit all such required documents to the Subgrantee.

4. **Client Confidentiality.** The Vendor or its subcontractors will not disclose any applicant information associated with the eligibility review process or distribution of benefits to any individual or entity, except to those authorized in writing by the customer, Subgrantee, or funder for program purposes only, and will abide by the requirements of all applicable state or federal laws, rules, and regulations, including, but not limited to, the release of Social Security number provisions in IC § 4-1-10 and the notice of security breach provision in IC § 4-1-11.

5. **Eligibility Determination.** The Subgrantee will send a transmittal (or batch of transmittals) to the Vendor for verification of the applicant's name, address, account number, account balance, and service status. The Vendor will validate the information, sign the transmittal, and return to the Subgrantee for payment.

6. **Acceptance of Payment.** All payments shall be made in arrears in conformance with State fiscal policies and procedures and, as required by IC 4-13-2-14.8, by electronic funds transfer to the financial institution designated by the Vendor in writing unless a specific waiver has been obtained from the IHCDA Controller. Within thirty (30) days of receipt of Vendor's invoice from the Subgrantee, IHCPDA shall submit to Vendor a single aggregate ACH payment for all individuals in EAP listed on the Vendor invoice. IHCPDA will notify Vendors via e-mail upon sending of an ACH payment to Vendor's account.

7. **Application of Taxes.** The Vendor shall not deduct sales taxes from the EAP benefit. Taxes shall be applied to the customer's account.

8. **Unallowable Expenses.** LIHEAP funds may not be applied to the following types of expenses: deposits, reconnection fees, garbage, cable, service plans, or other fees that are not associated with utility service.

9. **Refund.** If a monthly payment to Vendor exceeds the amount of money owed Vendor for a client for such month, Vendor shall apply the overpayment to the client's account for the following month(s), as a credit as long as the client has active service with the Vendor. If the client does not receive Services in the following month, Vendor is to make a reasonable effort to distribute the funds to the client. If Vendor is unable to locate client, Vendor shall issue IHCPDA a check for the amount of overpayment, along with the name, last known address and account number of the client.

10. **Overpayment.** Overpayments occur when the Subgrantee or the State review a file and find that the customer of record was overpaid. The Subgrantee will send an overpayment remittance to the Vendor requesting that the funds be returned to IHCPDA. The Vendor agrees to return the overpayment remittance and overpaid funds back to IHCPDA.

11. **Energy Consumption Release.** The Vendor agrees to make available energy consumption data for customers who are EAP approved for a period of 12 months prior to the EAP.
application. To “make available” means provide access for the client or the Subgrantee to acquire the information through a copy of the bill or a web portal.


13. Equal Treatment. Vendor assures that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements.

14. Moratorium. Pursuant to IC 8-1-2-121, Vendor acknowledges that from December 1st through March 15th of any year, Vendor cannot disconnect residential electric or gas service to any household that, on or after October 1st, is eligible for, has applied for, and qualifies for assistance under the EAP program. A “qualified” household is defined as a household that has submitted a complete application to its local CAA or designee, and a staff person at that agency has determined or is determining that eligibility meets the program requirements based on household income, number of household members, and utility bills. Simply submitting an application does not automatically make a household “qualified”, if the local Community Action Agency has insufficient resources to conduct an eligibility review of the application.

15. Registration with the Indiana Secretary of State. Vendor affirms that it is properly registered with, in good standing, and owes no outstanding reports to the Indiana Secretary of State.

16. Fraud. Vendor must notify the Subgrantee of any household that has misrepresented information pertinent to the eligibility of EAP benefits. Such notification may result in the termination and revocation of EAP benefits from the customer’s record. Also, Vendor must notify IHCDA immediately if Vendor identifies fraud in their own company as it relates to the use of EAP benefits. In either situation, the Vendor may be required to return all funds associated with the misrepresentation.

17. Indemnification. Vendor shall indemnify, defend, and hold harmless IHCDA, and its employees, agents, and officials, against any and all actions, liabilities, losses, damages, costs, or expenses which they may sustain, incur, or be required to pay by reason of any person suffering bodily injury, death, or property loss or damage as a result of any act or omission of Vendor, or any officer, agent, employee, or subcontractor thereof, in carrying out activities under this Agreement. Vendor shall require any subcontractor to indemnify Vendor and IHCDA, and their employees, agents, and officials, as part of any subcontract issued pursuant to
this Agreement. The IHCD A shall not provide such indemnification to Vendor. The obligations set forth in this section shall survive the termination or expiration of this Agreement.

18. Record Keeping. Vendor agrees to maintain an adequate accounting system to allow verification and auditing of the amount of services delivered to eligible households.

19. Choice of Law. The terms and provisions of this MOU shall be governed by and interpreted under the laws of the State of Indiana and any and all disputes hereunder shall be litigated in courts located in Marion County in the State of Indiana.

20. Independent Contractor. In the performance of this MOU, the parties acknowledge and agree that they are acting in an individual capacity and not as agents, employees, partners, joint venturers, or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. The parties will not assume liability for any injury, including death, to any person, or damage to any property arising out of the acts or omissions of the agents, employees, or subcontractors of the other party.

21. Amendment. The terms and provisions of this MOU may be modified only through written amendment executed by the parties hereto.

22. IRS FORM W-9. Vendor agrees to complete in full and return to IHCD A a federal Form W-9 (Request for Taxpayer Identification Number and Certification), the form of which is attached hereto as Exhibit A and made a part hereof.

23. Funding Cancellation and Termination for Convenience. When the Executive Director of IHCD A makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this MOU, it shall be canceled. Such determination shall be final and conclusive. This MOU may be terminated, in whole or in part, by the IHCD A whenever, for any reason, IHCD A determines that such termination is in the best interest of IHCD A by notice in writing.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]
Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that he/she is the Vendor, or that he/she is the properly authorized representative, agent, member or officer of the Vendor, that he/she has not, nor has any other member, employee, representative, agent or officer of the Vendor, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this MOU other than that which appears upon the face of this MOU.

In Witness Whereof, Vendor and IHCDA have, through their duly authorized representatives, entered into this MOU. The parties, having read and understood the foregoing terms of this MOU, do by their respective signatures dated below hereby agree to the terms thereof.

Vendor

Name: Citizens Energy Group
By: Rhonda Harper
Printed: Rhonda Harper
Title: Director of Customer Ser
Date: 9/25/13

Attested by (where applicable):

Indiana Housing and Community Development Authority

By: Ｆ．Ｊ．J.
Printed: J. Jacob Sipe
Title: Executive Director
Date: 9/26/13
Addresses for the provision of notice:

To IHCDA:

Indiana Housing & Community Development Authority
Attention: EAP
30 South Meridian Street, Suite 1000
Indianapolis, Indiana 46204

To Vendor:

Name: Citizens Energy
Address: 2020 N. Meridian St
City, State Zip: Indy, IN 46202

☐ Direct Deposit ☑ Check

E-Mail: ____________________________  (Required for direct deposit.)

Phone: 317-927-6479  Mary Berge

Please use the ACH Form provided by IHCDA.
Request for Taxpayer Identification Number and Certification

<table>
<thead>
<tr>
<th>Part 1.</th>
<th>Taxpayer Identification Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enter your TIN in the appropriate box. The TIN provided must match the name given on the &quot;Name&quot; link to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part 1 instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see how to get a TIN on page 3.</td>
<td></td>
</tr>
<tr>
<td>Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part II.</th>
<th>Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under penalties of perjury, I certify that:</td>
<td></td>
</tr>
<tr>
<td>1. The number shown on this form is my correct taxpayer identification number (or a correct taxpayer identification number for an employer requesting a Form W-9 to be sent to the IRS), and I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest and dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and</td>
<td></td>
</tr>
<tr>
<td>2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the IRS that I am subject to backup withholding as a result of a failure to report all interest and dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and</td>
<td></td>
</tr>
<tr>
<td>3. I am a U.S. citizen or other U.S. person (defined below).</td>
<td></td>
</tr>
</tbody>
</table>

Certification instructions: You must cross out any item(s) you have been notified by the IRS that you are currently subject to backup withholding because you have not reported all interest and dividends on your tax return. For nonreportable transactions, item 2 does not apply. For more specific information, see Publication 1227, "Backup Withholding - Information for payees." For partnerships, partnerships, or estates, see Publication 1240, "Backup Withholding - Information for payors." For more information, see Publication 1424, "Backup Withholding - Information for payees and payors." Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

General Instructions
Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form
A person who is required to file an information return with the IRS must either provide the requested identification number (TIN) to report, for example, income paid to you, or file an information return. The TIN is used to identify the party who is responsible for paying income tax, and to report the income for tax record purposes. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:
1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding. If you are a U.S. exempt person, you must claim exemption on Form W-8. If you are not a U.S. exempt person, you must file Form W-8BEN or Form W-8BEN-E to claim exemption from withholding tax on your reported share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you:
- Are a U.S. citizen or U.S. resident alien,
- Are a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Are an estate (other than a foreign estate), or
- Are a domestic trust (as defined in Regulations section 301.7701-7), or
- Are a foreign corporation, partnership, or similar organization to the extent it is engaged in a trade or business in the United States, or
- Are a foreign partnership or a partnership treated as a foreign partnership for United States tax purposes, or
- Have a U.S. tax status and are not a U.S. person.
H. Utility Shield


RESPONSE:

Utility Shield is a trade name for a line protection program offered by The Manchester Group. The Manchester Group is not an affiliate of Citizens and Citizens does not own a stake in The Manchester Group.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. H.2: Is Utility Shield promoted to all of Citizens Energy Group customers, or only customers of certain subsidiaries, such as Citizens Gas, Citizens Water, etc.? Please list each customer type and customer class to which Utility Shield is promoted.

RESPONSE:

Utility Shield has been marketed to single-family homeowners of Citizens Gas and Citizens Water, and approximately 90-100 Westfield customers who were previously on the City of Westfield’s water line protection plan.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. H.4: Does Citizens Energy Group, or any subsidiaries, receive compensation or payments of any kind from Utility Shield? If yes, please describe the terms or circumstances for which Citizens receives compensation.

RESPONSE:

The Manchester Group pays Citizens a fee of fifteen percent (15%) of payments collected from Citizens customers for the Utility Shield line protection program. The commission is reduced by customer refunds from customer cancellations that occur within the first thirty (30) days of a customer’s enrollment in Utility Shield. The amount received by Citizens is contributed to the Warm Heart Warm Home Foundation, a customer assistance charity that was created to provide financial assistance to Citizens’ customers who are in need.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. H.6: Is Utility Shield regulated by the Department of Insurance?

RESPONSE:

Citizens objects to this request to the extent it seeks a legal opinion. It is Citizens' understanding that the Manchester Group operates under an agreement with the Indiana Department of Insurance regarding the Utility Shield product but is not regulated by the Department per se.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. H.7: How many CEG customers have purchased products from Utility Shield?

RESPONSE:

There are approximately 16,500 customers currently enrolled in Utility Shield.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. H.8: How many CEG customers have filed claims to Utility Shield for losses or expenses incurred in the last five years?

RESPONSE:

Citizens objects to this request on the grounds that it seeks information that does not relate to Citizens, but rather to a separate, unaffiliated non-regulated entity. It is Citizens' understanding that the Manchester Group considers such information to be confidential and proprietary.
DATA REQUEST NO. H.9: How many CEG customers have been paid benefits from Utility Shield for losses or expenses incurred in the last five years?

RESPONSE:

Citizens objects to this request on the grounds that it seeks information that does not relate to Citizens, but rather to a separate, unaffiliated non-regulated entity. It is Citizens' understanding that the Manchester Group considers such information to be confidential and proprietary.
I. Background Information

DATA REQUEST NO. 1.1: Please provide the most recent complete organizational chart showing all companies affiliated directly and indirectly with Citizens Energy Group, and also showing the hierarchy of ownership from Citizens Energy Group. Please include with each company shown a list of all officers and their titles.

RESPONSE:

Please see the attached documents identified as OUCC DR – 1.11a and OUCC DR – 1.11b.

WITNESS:

Carey B. Lykins
UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES OF THE CITY OF INDIANAPOLIS dba CITIZENS ENERGY GROUP

Board of Trustees
Daniel F. Evans, Jr.  President
John L. Krauss  Vice President
Dennis Bland  Secretary
Jackie Nytes
Brian Williams

Board of Directors
Daniel C. Appel  President and Chairman
Anne Nobles  Vice President and Vice Chairman
Jeffrey E. Good  Treasurer
Moira M. Carlstedt  Secretary
Anita J. Harden
Christia Hicks
J.A. Lacy
Phillip A. Terry
Joseph E. Whitsett

Officers of Board of Directors
Daniel C. Appel  President and Chairman
Anne Nobles  Vice President and Vice Chairman
Jeffrey E. Good  Treasurer
Moira M. Carlstedt  Secretary
John R. Brehm  Assistant Secretary/Treasurer
Jennett M. Hill  Assistant Secretary
Michael D. Strohl  Assistant Secretary

Officers of Utility
Carey B. Lykins  President and CEO and General Manager
John R. Brehm  Senior Vice President and Chief Financial Officer
Christopher H. Braun  Vice President, Energy Operations
Blaine Dougherty  Vice President and Controller
Jeffrey A. Harrison  Senior Vice President, Engineering & Sustainability
Jennett M. Hill  Senior Vice President and General Counsel
Mark Jacob  Vice President, Capital Programs and Engineering
Aaron D. Johnson  Vice President, Corporate Development
Lindsay C. Lindgren  Vice President, Water Operations
John F. Lucas  Vice President, Information Technology

James M. McClelland retired from Board of Directors on December 31, 2013. Kathryn Betley retired from the Board of Trustees on December 31, 2013. Joseph E. Whitsett was appointed to the Board of Directors effective January 1, 2014 and Brian Williams was appointed to the Board of Trustees effective January 1, 2014.
### BOARDS AND OFFICERS OF
### CITIZENS ENERGY GROUP AND AFFILIATES
### 2014

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yvonne Perkins</td>
<td>Vice President, Corporate Communications &amp; Chief Diversity Officer</td>
</tr>
<tr>
<td>Curtis Popp</td>
<td>Vice President, Customer Operations</td>
</tr>
<tr>
<td>LaTona Prentice</td>
<td>Vice President, Regulatory Affairs</td>
</tr>
<tr>
<td>M. Jean Richcreek</td>
<td>Senior Vice President and Chief Administration Officer</td>
</tr>
<tr>
<td>Michael D. Strohl</td>
<td>Senior Vice President and Chief Customer Officer</td>
</tr>
<tr>
<td>William A. Tracy</td>
<td>Senior Vice President and Chief Operations Officer</td>
</tr>
<tr>
<td>Jodi Whitney</td>
<td>Vice President, Human Resources</td>
</tr>
</tbody>
</table>

**CWA AUTHORITY, INC**

**Executive Committee**
- Moira M. Carlstedt: Chairman
- Jeffrey E. Good: Vice Chairman
- Christia Hicks: Member

**Officers of Board of Directors**
- Daniel C. Appel: President and Chairman
- Anne Nobles: Vice President and Vice Chairman
- Jeffrey E. Good: Treasurer
- Moira M. Carlstedt: Secretary
- John R. Brehm: Assistant Secretary/Treasurer
- Jennett M. Hill: Assistant Secretary
- Michael D. Strohl: Assistant Secretary

**Officers of Utility**
- Carey B. Lykins: President and CBO and General Manager
- John R. Brehm: Senior Vice President and Chief Financial Officer
- Christopher H. Braun: Vice President, Energy Operations
- Blaire Dougherty: Vice President and Controller
- Jeffrey A. Harrison: Senior Vice President, Engineering & Sustainability
- Jennett M. Hill: Senior Vice President and General Counsel
- Mark Jacob: Vice President, Capital Programs and Engineering
- Aaron D. Johnson: Vice President, Corporate Development
- Lindsay C. Lindgren: Vice President, Water Operations
- John F. Lucas: Vice President, Information Technology
- Yvonne Perkins: Vice President, Corporate Communications & Chief Diversity Officer
- Curtis Popp: Vice President, Customer Operations
- LaTona Prentice: Vice President, Regulatory Affairs
- M. Jean Richcreek: Senior Vice President and Chief Administration Officer

James M. McClelland retired from Board of Directors on December 31, 2013. Kathryn Betley retired from the Board of Trustees on December 31, 2013. Joseph E. Whitsett was appointed to the Board of Directors effective January 1, 2014 and Brian Williams was appointed to the Board of Trustees effective January 1, 2014.
BOARDs AND OFFICERS OF
CITIZENS ENERGY GROUP AND AFFILIATES
2014

Michael D. Strohl  Senior Vice President and Chief Customer Officer
William A. Tracy  Senior Vice President and Chief Operations Officer
Jodi Whitney  Vice President, Human Resources

CITIZENS BY-PRODUCTS COAL COMPANY dba CITIZEN RESOURCES

Executive Committee
Daniel C. Appel  Chairman
Anne Nobles  Vice Chairman
Moira M. Carlstedt  Member

Finance Committee
Philip Terry  Chairman
Christia Hicks
J.A. Lacy
Joseph E. Whitsett

Board of Directors
Daniel C. Appel
Moira M. Carlstedt
Jeffrey E. Good
Anita J. Harden
Christia Hicks
J.A. Lacy
Anne Nobles
Philip Terry
Joseph E. Whitsett

Officers
Carey B. Lykins  President and CEO
John R. Brehm  CFO & Treasurer
Jennett M. Hill  Secretary
Christopher H. Braun  Vice President
Blaire Dougherty  Vice President
Jeffrey A. Harrison  Vice President
Mark Jacob  Vice President
Aaron D. Johnson  Vice President
Lindsay C. Lindgren  Vice President
John F. Lucas  Vice President
Yvonne Perkins  Vice President
Curtis Popp  Vice President

James M. McClelland retired from Board of Directors on December 31, 2013. Kathryn Betley retired from the Board of Trustees on December 31, 2013. Joseph E. Whitsett was appointed to the Board of Directors effective January 1, 2014 and Brian Williams was appointed to the Board of Trustees effective January 1, 2014.
LaTona Prentice  Vice President
M. Jean Richcreek  Vice President
Michael D. Strohl  Vice President
William A. Tracy  Vice President
Jodi Whitney  Vice President

CITIZENS ENERGY SERVICES COMPANY, LLC ("CESCO")

Officers
Aaron D. Johnson  President
Craig Moore  Vice President
Sara Mamuska-Morris  Treasurer

Board of Directors
Carey B. Lykins
John R. Brehm
Jennett M. Hill
M. Jean Richcreek
William A. Tracy
Michael D. Strohl
Jeffrey A. Harrison

CG FINCO, LLC ("CG FINCO")

Officers
John R. Brehm  President
Michael D. Strohl  Treasurer
Aaron D. Johnson  Secretary

Board of Directors
Carey B. Lykins
John R. Brehm
Jennett M. Hill
M. Jean Richcreek
William A. Tracy
Michael D. Strohl
Jeffrey A. Harrison

James M. McClelland retired from Board of Directors on December 31, 2013. Kathryn Betley retired from the Board of Trustees on December 31, 2013. Joseph E. Whitsett was appointed to the Board of Directors effective January 1, 2014 and Brian Williams was appointed to the Board of Trustees effective January 1, 2014.
BOARDS AND OFFICERS OF
CITIZENS ENERGY GROUP AND AFFILIATES
2014

CITIZENS RESOURCES PRODUCTION, LLC ("CITIZENS RESOURCES PRODUCTION")

Officers
Aaron D. Johnson President
Craig Moore Vice President
Sara Mamuska-Morris Treasurer

Board of Directors
Carey B. Lykins
John R. Brehm
Jennett M. Hill
M. Jean Richcreek
William A. Tracy
Michael D. Strohl
Jeffrey A. Harrison

INDIANAPOLIS COKE ENTERPRISES, LLC ("INDIANAPOLIS COKE")

Officers
Carey B. Lykins Chairman
Jennett M. Hill Secretary
John R. Brehm Treasurer

Board of Directors
Carey B. Lykins
John R. Brehm
Jennett M. Hill
M. Jean Richcreek
William A. Tracy
Michael D. Strohl
Jeffrey A. Harrison

CITIZENS ENERGY MANAGEMENT COMPANY, LLC ("CEMCO")

Officers
Jeffrey A. Harrison President
Barbara Q. Smith Vice President
Donald S. Lukes Treasurer
Aaron D. Johnson Secretary

James M. McClelland retired from Board of Directors on December 31, 2013. Kathryn Betley retired from the Board of Trustees on December 31, 2013. Joseph E. Whitsett was appointed to the Board of Directors effective January 1, 2014 and Brian Williams was appointed to the Board of Trustees effective January 1, 2014.
Board of Directors
Carey B. Lykins
John R. Brehm
Jennett M. Hill
M. Jean Richcreek
William A. Tracy
Michael D. Strohl
Jeffrey A. Harrison

PROLIANCE HOLDINGS, LLC

Officers
Elizabeth I. Witte  President and Secretary
Aaron Johnson  Vice President, Treasurer, and Assistant Secretary

Directors
Elizabeth I. Witte
Robert Heidorn
Aaron Johnson
Jennett M. Hill

LNG INDY, LLC dba KINETREX ENERGY, LLC

Officers
Aaron Johnson  President
Craig Moore  Executive Vice President
Tony Brown  Vice President, Marketing

Board of Directors
Michael Strohl
John Brehm
William Tracy
Carey Lykins
Jeff Harrison
Jennett Hill
Jean Richcreek

CITIZENS WESTFIELD UTILITIES, LLC

Officers
Aaron D. Johnson  President

James M. McClelland retired from Board of Directors on December 31, 2013. Kathryn Betley retired from the Board of Trustees on December 31, 2013. Joseph E. Whitsett was appointed to the Board of Directors effective January 1, 2014 and Brian Williams was appointed to the Board of Trustees effective January 1, 2014.
BOARDS AND OFFICERS OF
CITIZENS ENERGY GROUP AND AFFILIATES
2014

Craig Moore
Sara Mamuska-Morris

Vice President
Treasurer

Board of Directors
Michael Strohl
John Brehm
William Tracy
Carey Lykins
Jeff Harrison
Jennett Hill
Jean Richcreek

WESTFIELD GAS, LLC

Officers
Aaron D. Johnson President
Craig Moore Vice President
Sara Mamuska-Morris Treasurer

Board of Directors
Michael Strohl
John Brehm
William Tracy
Carey Lykins
Jeff Harrison
Jennett Hill
Jean Richcreek

CITIZENS WATER OF WESTFIELD, LLC

Officers
Aaron D. Johnson President
Craig Moore Vice President
Sara Mamuska-Morris Treasurer

Board of Directors
Michael Strohl
John Brehm
William Tracy
Carey Lykins
Jeff Harrison

James M. McClelland retired from Board of Directors on December 31, 2013. Kathryn Betley retired from the Board of Trustees on December 31, 2013. Joseph E. Whitsett was appointed to the Board of Directors effective January 1, 2014 and Brian Williams was appointed to the Board of Trustees effective January 1, 2014.
BOARDS AND OFFICERS OF
CITIZENS ENERGY GROUP AND AFFILIATES
2014

Jennett Hill
Jean Richcreek

CITIZENS WASTEWATER OF WESTFIELD, LLC

Officers
Aaron D. Johnson President
Craig Moore Vice President
Sara Mamuska-Morris Treasurer

Board of Directors
Michael Strohl
John Brehm
William Tracy
Carey Lykins
Jeff Harrison
Jennett Hill
Jean Richcreek

SOUTHERN MADISON UTILITY

Officers
Aaron D. Johnson President
Craig Moore Vice President
Sara Mamuska-Morris Treasurer

Board of Directors
Michael Strohl
John Brehm
William Tracy
Carey Lykins
Jeff Harrison
Jennett Hill
Jean Richcreek

REMITTANCE PROCESSING SERVICES, LLC

Officers
Ann Sharkey General Manager

Board of Representatives

James M. McClelland retired from Board of Directors on December 31, 2013. Kathryn Betley retired from the Board of Trustees on December 31, 2013. Joseph E. Whitsett was appointed to the Board of Directors effective January 1, 2014 and Brian Williams was appointed to the Board of Trustees effective January 1, 2014.
BOARDS AND OFFICERS OF
CITIZENS ENERGY GROUP AND AFFILIATES
2014

Leon Broughton  Chairman and Voting Member, Citizens Energy Group
Aaron Johnson  Treasurer and Non-Voting Member, Citizens Energy Group
David Farris  Secretary and Non-Voting Member, AES/IPALCO
Craig Moore  Audit Committee, Citizens Energy Group
Greg Willard  Audit Committee and Non-Voting member, AES/IPALCO
Connie Horwitz  Voting Member, AES/IPALCO

CITIZENS INVESTMENT COLLABORATION ON NEIGHBORHOODS, INC.

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Paul Puckett  non officer member
Jodi L. Whitney  non officer member

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Management Committee
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Craig Moore
Elizabeth I. Witte
Robert Heidorn

PROLIENCE TRANSPORTATION AND STORAGE – HEARTLAND, LLC

Officers
Elizabeth I. Witte  President
Aaron D. Johnson  Vice President

James M. McClelland retired from Board of Directors on December 31, 2013. Kathryn Betley retired from the Board of Trustees on December 31, 2013. Joseph E. Whitsett was appointed to the Board of Directors effective January 1, 2014 and Brian Williams was appointed to the Board of Trustees effective January 1, 2014.
DATA REQUEST NO. 1.2: Please indicate which utilities on the organizational chart above are regulated and which are non-regulated.

RESPONSE:

See Citizens' response to Data Request No. 1.1 above and the attached document identified as OUCC DR - 1.11.

WITNESS:

Carey B. Lykins
DATA REQUESTS

DATA REQUEST NO. 1: In its DATA REQUEST Question NO. 18, the OUCC asked Citizens how many CEG customers have filed claims to Utility Shield for losses or expenses incurred in the last five years. Citizens objected and stated it is Citizen's understanding that the Manchester Group considers such information to be confidential and proprietary. What is the basis of that understanding? Please provide any and all communication on which that understanding is based.

RESPONSE:
The basis for Citizens' understanding is pursuant to conversation with Bill Thomas, President of the Manchester Group. The requested information includes data that the Manchester Group considers to be trade secret and proprietary.

Citizens will provide this confidential data responsive to this request once Citizens and the OUCC have a mutually agreeable standard confidentiality agreement in place that pertains to the gas, water and wastewater utilities.

WITNESS:
Michael D. Strohl
DATA REQUEST NO. 2: In its DATA REQUEST Question NO. H.9, the OUCC asked Citizens how many CEG customers have been paid benefits from Utility Shield for losses or expenses incurred in the last five years. Citizens objected and stated it is its understanding that the Manchester Group considers such information to be confidential and proprietary. What is the basis of that understanding? Please provide any and all communication on which that understanding is based.

RESPONSE:
The basis for Citizens' understanding is pursuant to conversation with Bill Thomas, President of the Manchester Group. The requested information includes data that the Manchester Group considers to be trade secret and proprietary.

Citizens will provide this confidential data responsive to this request once Citizens and the OUCC have a mutually agreeable standard confidentiality agreement in place that pertains to the gas, water and wastewater utilities.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. 3: Regarding questions 1 and 2 above, what assurances does Citizens have that the product offered by Manchester Group and promoted by Citizens is handled in a fair and equitable manner?

RESPONSE:
Citizens conducts periodic reviews with The Manchester Group of the Utility Shield product and key statistics related to the product, including customer acquisition and retention, customer satisfaction scores and periodic claims information.

WITNESS:
Michael D. Strohl
DATA REQUEST NO. 5: In its response to OUCC DR H.3, Citizens stated that "Utility Shield is promoted through direct mail and on Citizens' website. It has been promoted three times in bill inserts." Please describe all compensation received by Citizens in exchange for Utility's Shield's use of Citizens direct mail and its website. Please provide any and all agreements or Memoranda with Utility Shield or the Manchester Group that addresses rights, responsibilities, or compensation.

RESPONSE:
The Manchester Group pays Citizens a fee of fifteen percent (15%) of payments collected from Citizens customers for the Utility Shield line protection program. The commission is reduced by customer refunds from customer cancellations that occur within the first thirty (30) days of a customer's enrollment in Utility Shield. The amount received by Citizens is contributed to the Warm Heart Warm Home Foundation, a customer assistance charity that was created to provide financial assistance to Citizens' customers who are in need.

Please see the agreement between Citizens Energy Group and the Manchester Group, which was filed as Respondents' Exhibit MDS-2 on July 21, 2014.

WITNESS:
Michael D. Strohl
DATA REQUEST NO. 6: In response to OUCC data request Q-H.4, Citizens explained that the Manchester Group pays Citizens a fee of fifteen percent (15%) of payments collected from Citizens customers for the Utility Shield line protection program. How much did Citizens receive in these payments in 2013? How much did Citizens receive in these payments in 2012? How much did Citizens receive in these payments to date in 2014?

RESPONSE:
2012- $245,812
2013- $291,086
2014- $185,167 through July 1, 2014

WITNESS:

Michael D. Strohl
DATA REQUESTS

DATA REQUEST NO. 1: In response to OUCC data request Q 2-3, Citizens responded that "Citizens conducts periodic reviews with the Manchester Group of the Utility Shield Product and Key statistics related to the product, including customer acquisition and retention, customer satisfaction scores, and periodic claims information."

a. Please provide a copy of all reports or other written products generated by the reviews.

b. Please describe in more detail the nature of the periodic reviews including but not limited to which employees conduct the reviews for Citizens, what information is examined, who provides the information for examination on behalf of the Manchester Group, whether any third parties are employed to conduct the review, and how long each review has taken to perform.

c. Identify the number and the date of completion of each periodic review.

d. Who besides Citizens reviews or has the authority to review Utility Shields' provision of service to CEG's and CWA's customers?

OBJECTION:

The information sought in this request relates to services provided by the Manchester Group, an unaffiliated third party vendor which is neither a utility nor the subject of or a party to this investigation proceeding. Consequently, Respondents object to the request on the grounds stated in General Objection Nos. 3, 6, 9 and 10. Respondents specifically object to the use of the term "all" as overly broad and unduly burdensome. Respondents further object to the request in part d because it is vague and ambiguous and to the extent it calls for a legal conclusion. Subject to and without waiving the foregoing objections, Respondents provide the following response:

RESPONSE:

a. See the information contained in the document attached and identified as OUCC DR – 4.1a and the confidential information contained in the document attached and identified as OUCC DR – 4.1a - CONFIDENTIAL.

b. The reviews are held periodically between Citizens' Director of Brand Engagement, who is responsible for managing the Utility Shield relationship, and the President of Manchester Group. See the attached document identified as OUCC DR – 4.1a - CONFIDENTIAL for the information that is examined.

c. See the attached document identified as OUCC DR - 4.1c.
d. See objection above.

WITNESS (RESPONSE ONLY):

Michael D. Strohl
Meetings with Bill Thomas (Manchester Group) & Jeff Brown (Citizens Energy Group)

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DATA REQUEST NO. 2: Please provide a sample copy, with names redacted, of a service agreement between Utility Shield and a Citizens water customer.

OBJECTION:

The information sought in this request relates to services provided by the Manchester Group, an unaffiliated third party vendor which is neither a utility nor the subject of or a party to this investigation proceeding. Consequently, Respondents object to the request on the grounds stated in General Objection Nos. 3, 6, 9 and 10. Subject to and without waiving the foregoing objections, Respondents provide the following response.

RESPONSE:

Respondents do not possess the requested information. Basic information about the Utility Shield program relating to enrollment, claims and service agreements is available at http://www.utilityshield.com/citizens.

WITNESS (RESPONSE ONLY):

Michael D. Strobl
Cause No. 44462
Responses of Citizens Energy Group
and CWA Authority, Inc. to
Office of Utility Consumer Counselor's
Fourth Set of Data Requests

DATA REQUEST NO. 3: Please provide a sample copy, with names redacted, of a
service agreement between Utility Shield and a Citizens gas customer.

OBJECTION AND RESPONSE:

See Respondents' objection and response to Data Request No. 2 above.
DATA REQUEST NO. 4: Please provide a sample copy, with names redacted, of a service agreement between Utility Shield and a CWA customer.

OBJECTION AND RESPONSE:

See Respondents' objection and response to Data Request No. 2 above.
DATA REQUEST NO. 6: In Mr. Strohl’s testimony on page 26, lines 1-3, he states “Citizens is working to modify the billing system prior to the 2014-2015 heating season to prevent this from happening in the future.” Please explain what procedures have been or will be put into place to correct this problem for the 2014-2015 heating season.

RESPONSE:

The new procedure will be a program change to the charge calculation such that USP credits apply only to the gas service and cannot be applied to any other service.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. 7: In response to OUCC DR-1, Question H.2, Citizens indicated Utility Shield had been marketed to single-family homeowners of Citizens Gas and Citizens Water, and approximately 90-100 Westfield customers who were previously on the City of Westfield’s water line protection plan.

a. Please indicate the total number of the City of Westfield’s customers who were on the water line protection plan at the time of acquisition.

b. Are the 90-100 Westfield customers referenced above the only customers on the previous water line protection plan, or did Citizens select only 90-100 customers out of the total number of customers on the line protection plan?

c. If Citizens only selected 90-100 customers out of the total number on the line protection plan, how were those customers chosen?

OBJECTION:

The information sought in this request relates to services provided by the Manchester Group, an unaffiliated third party vendor which is neither a utility nor the subject of or a party to this investigation proceeding. Consequently, Respondents object to the request on the grounds stated in General Objection Nos. 3, 6, 9 and 10. Subject to and without waiving the foregoing objections, Respondents provide the following response:

RESPONSE:

a. 94

b. It is Citizens’ understanding that the 94 customers referenced in Respondents’ response to Data Request No. 7a above were the total number of customers enrolled in Westfield’s previous water line protection plan.

c. See Respondents’ response to Data Request No. 7b above.

WITNESS (RESPONSE ONLY):

Michael D. Strohl
DATA REQUEST NO. 8: In relation to the Contracted Services Agreement between Citizens Energy Group and The Manchester Group, LLC:

a. Item #1 under Recitals on page 1 states “Marketer has expressed interest in obtaining from Company names and mailing addresses for all the Company customers in the residential service class in Citizens Gas (“Information”).” Please indicate whether The Manchester Group, LLC has also obtained all the names and mailing addresses for all Citizens Water and CWA Wastewater customers as well.

b. If the answer to part a. is yes, please indicate whether a revised Contracted Services Agreement was obtained in order to supply these names and addresses for all Citizens Water and CWA customers.

c. Item #2 under Recitals on page 1 states “Marketer has expressed an interest in receiving billing and collection services from Company for product defined in paragraph 3 below (“Billing Services”).” Please confirm Citizens Gas is responsible for billing customers for the Utility Shield product.

d. If the answer to part c. is yes, please indicate whether the Utility Shield item is included on the combined gas and water bill, or if a separate bill is sent to those customers using Utility Shield.

OBJECTION:

The information sought in this request relates to services provided by the Manchester Group, an unaffiliated third party vendor which is neither a utility nor the subject of or a party to this investigation proceeding. Consequently, Respondents object to the request on the grounds stated in General Objection Nos. 3, 6, 9 and 10. Subject to and without waiving the foregoing objections, Respondents provide the following response:

RESPONSE:

a. Yes.

b. No.

c. Citizens includes the billing charges for Utility Shield as a separate line item on the Citizens billing statement for customers who have purchased Utility Shield.

d. See Respondents' response to Data Request No. 8c above.

WITNESS (RESPONSE ONLY):

Michael D. Strohl
DATA REQUEST NO. 9: In response to OUCC DR-1, Question H.5, Citizens provided examples of all promotional materials and information provided to customers for the period of January 1, 2013 through May 31, 2014. Please provide the following information related to the examples provided:

a. At the bottom of page 2 of the letters to customers, there is a clause that states “I certify that there are no pre-existing conditions affecting my utility lines or systems. Further, I understand and agree that lines or systems with pre-existing conditions are not eligible for protection under Utility Shield.”

i. Please provide a listing of all pre-existing conditions that disqualify a customer for protection under Utility Shield.

ii. Does Utility Shield perform a review of all customer lines when a customer purchases Utility Shield to determine if pre-existing conditions exist at that time?

iii. If the answer to subpart a.ii. is yes, please explain the process Utility Shield takes to determine pre-existing conditions are present.

iv. If the answer to subpart a.ii. is no, please explain how Utility Shield determines if a pre-existing condition existed at the time the customer signed up for service, or if the condition was caused after the customer signed up for service.

b. On page 2 of the letters to customers there is a clause that states “Citizens contributes all proceeds received from Utility Shield to the Warm Heart Warm Home Foundation.” This clause goes on to state the amount of money Utility Shield has generated to assist families with paying their utility bills. Please explain why some letters state the total amount generated to assist families with paying their utility bills is over $525,000 and some letters state this amount is over $600,000.

c. How is the Warm Heart Warm Home Foundation funded?

i. Is the foundation funded entirely though Utility Shield revenue?

ii. Does Citizens Energy Group, or any of its subsidiaries, fund a set amount each year?

iii. If Citizens Energy Group, or any of its subsidiaries funds a set amount each year, is any of the Citizens Energy Group funding reduced by the amount received from Utility Shield revenue?

d. On page 2 of the letters to customers there is a clause that states “Simply call your appropriate local utility to report a loss of service and then call the Utility Shield customer care center.”

i. How do customer service representatives know that a customer has Utility Shield?

ii. Do customer service representatives automatically ask if a customer has Utility Shield, or is this noted on their account?
iii. During the last five years, have there been any instances where a customer had Utility Shield protection but the repair work was performed by Citizens Energy Group or one of its subsidiaries?

e. On page 2 of the letter to customers there is a clause that states “Utility Shield will have a qualified contractor contact you — usually within 12 hours — to schedule repairs provided under Utility Shield.”

i. Please provide a listing of all qualified contractors Utility Shield has used to repair customer lines during the period of January 2012 through the present.

ii. Does Utility Shield ever contract with Citizens Energy Group, or any of CEG’s subsidiaries, to perform these repairs?

f. If the response to subpart e.ii. is yes, please provide a list of the dates and locations where CEG or one of its subsidiaries repaired customers’ lines for Utility Shield.

OBJECTION:

The information sought in this request relates to services provided by two entities that are neither utilities nor the subject of or parties to this investigation proceeding: (1) The Manchester Group, an unaffiliated third party vendor; and (2) Warm Heart Warm Home Foundation, Inc. Consequently, Respondents object to the request on the grounds stated in General Objection Nos. 3, 6, 9 and 10. Subject to and without waiving the foregoing objections, Respondents provide the following response:

RESPONSE:

a. Respondents do not possess the requested information. Basic information about the UtilityShield program relating to enrollment, claims and service agreements is available at http://www.utilityshield.com/citizens.

b. Assuming the OUCC is referring to the response to OUCC DR 1.H.5.a with respect to the letter that references assistance of over $525,000 (dated 9/10/13) and assuming the OUCC is referring to the response to OUCC DR 1.H.5.b with respect to the letter referencing over $600,000 in assistance (dated 10/28/13), the difference is related to timing of proceeds received from Citizens.

c. See objections above.
d. (i) There is an indicator on the Customer Information System notifying the customer service representative that the customer has Utility Shield.

(ii) See response to Data Request No. 9d(i) above.

(iii) No.

e. (i) See objections above.

(ii) No.

f. Not applicable.

WITNESS (RESPONSES ONLY):

Michael D. Strohl
DATA REQUESTS

DATA REQUEST NO. 1: In response to OUCC DR Set 1 Question H.1, Citizens stated “The Manchester Group is not an affiliate of Citizens and Citizens does not own a stake in The Manchester Group.” Do any of Citizens Energy Group’s employees, or any employees of any subsidiaries of CEG, sit on the Board of Directors of The Manchester Group?

RESPONSE:

No.

WITNESS

Michael D. Strohl
**DATA REQUEST NO. 2:** In response to OUCC DR Set 1 Question H.4, Citizens stated “The commission is reduced by customer refunds from customer cancellations that occur within the first thirty (30) days of a customer’s enrollment in Utility Shield.”

a. Please provide the number of Citizens customers that were enrolled in Utility Shield as of June 30 for each of the last five years (2010, 2011, 2012, 2013 and 2014).

b. Please provide the average number of customer cancellations that occur within the first thirty (30) days of a customer’s enrollment in Utility Shield.

c. Please provide the average number of customer cancellations that occur after the first thirty (30) days of a customer’s enrollment in Utility Shield.

**OBJECTION:**

Respondents object to this request on the grounds set forth in General Objection Nos. 6 and 10. Subject to and without waiving the foregoing objections, Respondents respond as follows.

**RESPONSE:**

a. See Respondents’ Response to OUCC’s Fourth Set of Data Requests, Data Request No. 1a, attached document identified as OUCC DR -- 4.1a for reports that highlight number of enrollments in the products.

b. See objection above.

c. See objection above.

**WITNESS (RESPONSE ONLY):**

Michael D. Strohl
DATA REQUEST NO. 3: Please refer to the Contracted Services Agreement between Citizens Energy Group and The Manchester Group, LLC. Item #3 under Recitals on page 1 states the product may change from time to time based upon mutual agreement of the parties and based primarily on the success of various product offerings.

   a. Have there been any product changes since the date of this agreement (March 19, 2010)?

   b. If so, please provide a listing of all product changes that have occurred since the date of this agreement (March 19, 2010).

RESPONSE:

   a. Yes.

   b. Please see corrected Exhibit MDS-2, which was filed with the Commission August 4, 2014.

WITNESS:

Michael D. Strohl
DATA REQUEST NO. 4: Please refer to the Contracted Services Agreement between Citizens Energy Group and The Manchester Group, LLC. Item # D. under Marketer Responsibilities on page 2 states:

The products and services offered by Marketer under this Agreement utilizing the Company name and logo shall be limited to utility line warranty products, including inside natural gas line, inside electric line, inside water line and inside and outside sewer line products, although the final composition of the product or products offered by Marketer from this list of products shall be in the sole discretion of Marketer.

Please explain why Utility Shield is offering HVAC System Protection Plans (which include system protection for furnaces, boilers, central air conditioners, heat pumps and water heaters) under the Citizens Energy Group name and logo if this warranty product is not included in the Contracted Services Agreement.

RESPONSE:

See Respondents' response to Data Request No. 3b above.

WITNESS:

Michael D. Strohl
CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing Indiana Office of Utility Consumer Counselor’s Public’s Exhibit No. 1 Testimony of Heather R. Poole has been served upon the following counsel of record in the captioned proceeding by electronic service on August 12, 2014.

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Michael E. Allen, Associate General Counsel
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317/232-5923 – Facsimile