



Citizens Energy Group

Customer Sustainability Needs

October 23, 2008



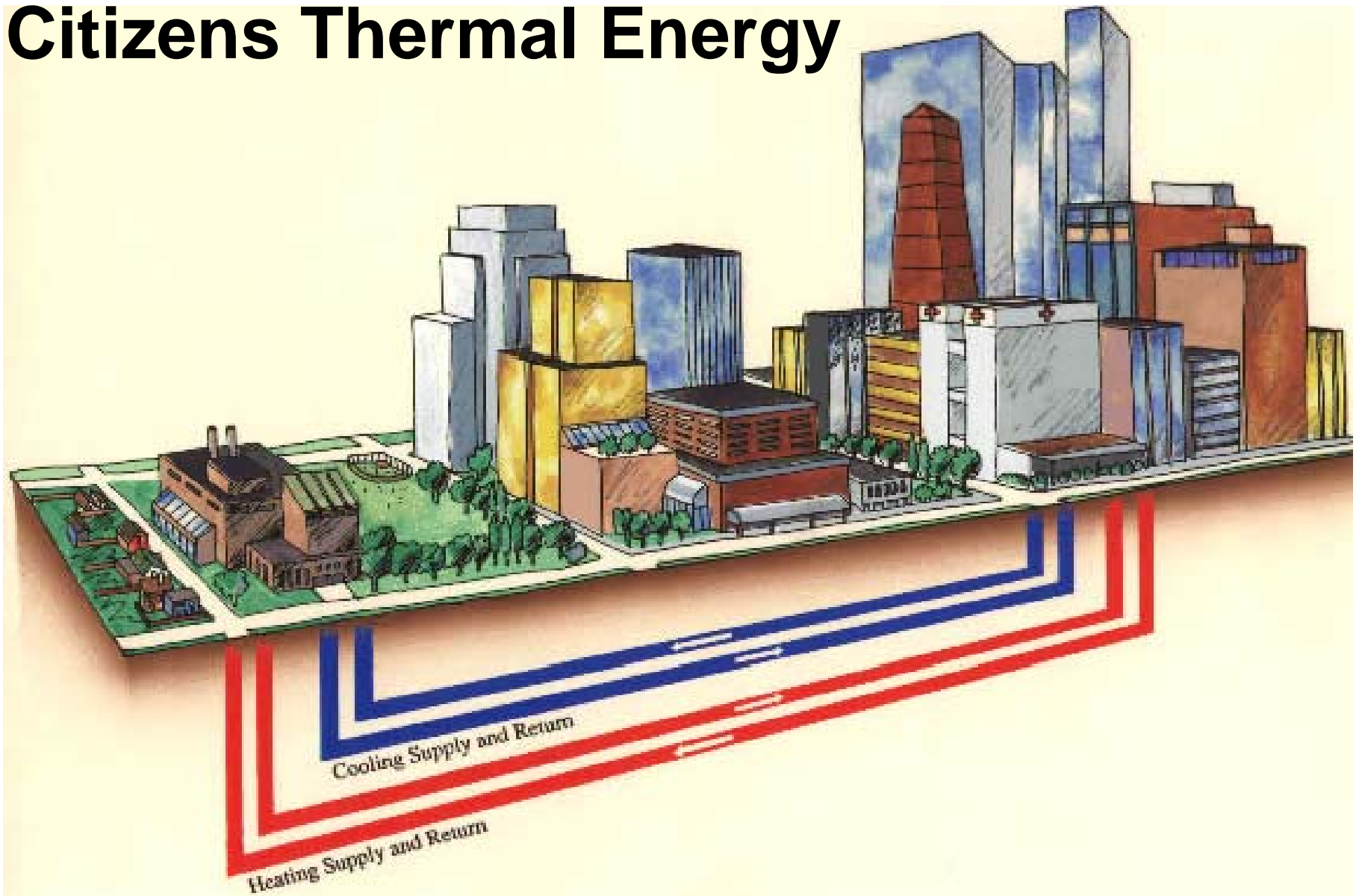
Discussion Overview

- Introduce Citizens Energy Group
- Definition and Drivers for Sustainable Business?
- How Does Citizens Support Customer Sustainability Needs?

Citizens Energy Group

- Citizens Gas
 - Natural Gas Distribution
- Citizens Thermal
 - District Steam
 - District Chilled Water
- Citizens Resources
 - Citizens Utility Management Services
 - ProLiance Energy
 - Citizens Mechanical Services
 - BHMM Energy Services
 - Heartland Pipeline
 - Westfield Gas

Citizens Thermal Energy



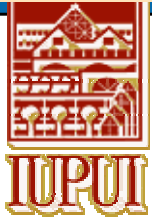
Citizens Thermal Energy

- District Steam System
 - 225 Customers
 - 2,000,000 lbs/hr Capacity
 - Multiple Fuel Source
- District Chilled Water System
 - 40 Customers
 - 76,000 Tons Capacity
 - Central Plant (36,000 Tons)
 - 4 Satellite Plants (40,000 Tons)



Indianapolis Colts - Lucas Oil Stadium

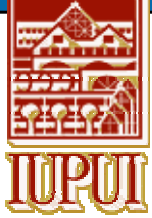




Medical Information Sciences Building

2006





IUPUI Campus Student Center



Citizens Energy Group

Utility Management Services

- On-Site Management, Operations and Maintenance (Out Source)
- 3rd Party Design, Build, Own and Operate
- Engineering and Construction Project Management
- Energy Efficiency Project Management

Citizens Energy Group Utility Management Customers

- Fortune 100 Pharmaceutical Co.
 - Corporate Headquarter Campus
 - Research/Operations Campus
- Indianapolis International Airport
 - Central Energy Plant
 - Mid-Field Terminal
- Indiana/Purdue University Campus
 - Education, Healthcare, Research



New Mid-Field Terminal



What is Sustainable Business?

- **Sustainability**- the ability to meet today's global economic, environmental and social needs without compromising the same opportunity for future generations.
- **Business Sustainability** - the opportunity for business to improve its profitability, competitiveness and market share without compromising resources for future generations.

What Drives Sustainable Business?

- **United States Regulation Compliance**
 - Clean Water Act, 1977
 - Superfund Amendments/Reauthorization Act, 1986
 - Clean Air Act Amendments, 1990
- **International Environmental Regulation**
 - Kyoto Protocol, 2005
 - REACH (Registration, Evaluation, and Authorization of Chemicals) 2007
- **Consumer/Market Demand**
 - Corporate Values
 - Environmental/Social Responsibility
 - Consumer Preference

Sustainable Business Value?

- Conserve Natural Resources
- Increased Production Efficiency
- Improved Profitability
- Better Public Relations/Brand Image
- Emphasizes Good Corporate Citizenship
- Increases Employee Moral
- Community Reinvestment

Sustainability Measures

- Energy
 - Source and Usage
- Raw Material
 - Source and Usage
- Emissions and Discharge Levels
 - Air, Water, Waste
- Workforce
 - Health, Safety & Wellness

Citizens Supports Sustainability

- District Energy Systems
 - Central Plant Efficiencies
 - Municipal Waste-to-Energy Steam Source
 - Steam Driven Chillers
 - Bio-Mass Fuel Assessment
 - Chilled Water Storage Project
 - One million gallon storage tank
 - Provide 400-1200 tons of peaking capacity
 - Utilize off-peak electric power
 - Avoid New Chiller Construction



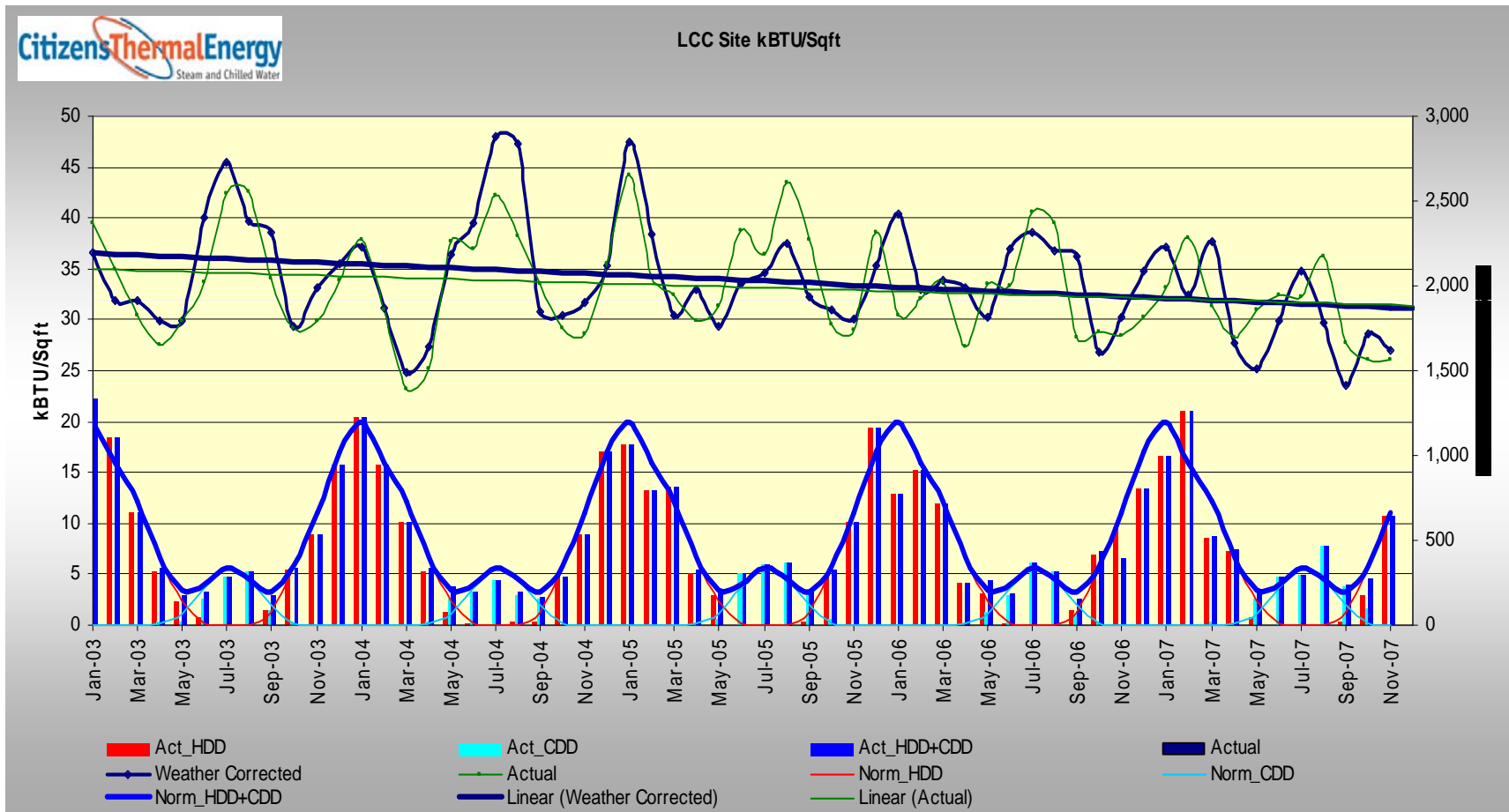
Citizens Supports Sustainability

- On-Site Utility Management
 - Focus on Core Business
 - Performance Metrics
 - Energy/Carbon Footprint Tracking
 - Energy Efficiency Projects
 - Engineering/Construction Projects
 - Effective Water Treatment
 - Workforce Safety and Wellness

Energy Efficiency Project Management

Capital Projects	Capital	Savings	Payback
	\$	\$/yr	Yrs
CO Monitoring	188,000	109,000	1.72
Air Handling Unit Schedules	-	450,000	NA
Day Lighting Schedules	30,000	58,000	0.52
Lighting Controls	2,497,000	1,222,000	2.04
Air Handling VFDs	350,000	80,000	4.38
Cooling Tower VFD's	70,000	20,000	3.50
Chiller Replacement	2,200,000	80,000	27.50

Energy Footprint Analysis



Conclusions

- Business Sustainability is:
 - Not a Short-term Buzzword
 - Long-term view of business success
 - Driven by Increasing Consumer Demand
- Citizens Supports Customers Sustainability:
 - Information/Knowledge Resource
 - Effective management, operations and maintenance
 - Alternative Sources of Energy Supply
 - Efficient District Energy Delivery
 - Expert On-site Utility Management Services



Questions?