

Outlook Winter 2010

Carey Lykins
President & CEO
Citizens Energy Group

Prepared for Indiana Utility Regulatory Commission
October 15, 2010

Winter Outlook

- Economy causing hardship
- Gas bills to decline – 7 percent for Marion County
 - 5 month average bill -- \$580
- Gas bills to increase 12 percent for Westfield
 - 5 month average bill -- \$675
- Assistance needs are high
- Available assistance programs stretched

Helping Customers in Need

- Minimizing service disruptions
- Flexible payment arrangements
- Manageable deposits
- Outreach to inactive accounts

Managing Energy Costs

- Budget Plan
 - 2010: 79,500 customers or 34%
- Citizens Energy Savers
 - Net Portfolio Savings
 - 1.7 million net therm savings
 - 15,998 measures implemented
- Gas utilities collaborating

Citizens Energy Savers Partnerships

- Low flow showerheads
- Low-income weatherization
- Think Energy Program



New Citizens Website



The screenshot shows the homepage of the Citizens Gas website. At the top left is the 'citizens gas' logo. To the right are links for 'Login | Contact Us' and a search bar. Below the logo is a navigation menu with items: 'My Account', 'For Homes', 'For Business', 'Safety', 'Energy Savers', and 'About Citizens'. The main content area features a 'Customer Login' form with fields for 'username' and 'password', a 'Remember me' checkbox, and a 'Login' button. Next to the form is an advertisement for 'HIGH-EFFICIENCY APPLIANCE REBATES' featuring images of a refrigerator, a water heater, and a piggy bank on a stack of money. Below the main content are three green boxes: 'Attention eBill Customers' with a 'Register Here' link, 'Citizens Energy Savers' with a list of services (Rebates, Home Energy Advisor, Bill Analyzer, Energy Saving Tips), and 'Better Utilities and a Better City' with a link to the City of Indianapolis site. At the bottom, there are sections for 'For Kids' (with a photo of a child and a list of topics) and 'Newsroom' (with a list of recent news items). The footer contains social media icons and links for 'Español | Site Map | Terms & Conditions | Privacy & Security | Accessibility'.

Core Messages: Safety and Conservation

- Be WinterWise
- Colts partnership



BLUE BRINGS THE ENERGY.

Citizens Gas is proud to be the Colts Energy Education Partner.



Home Heating Safety Awareness



- Partnership with IFD, Concerned Clergy

Customer Satisfaction

- Always our focus
- Call Center honor



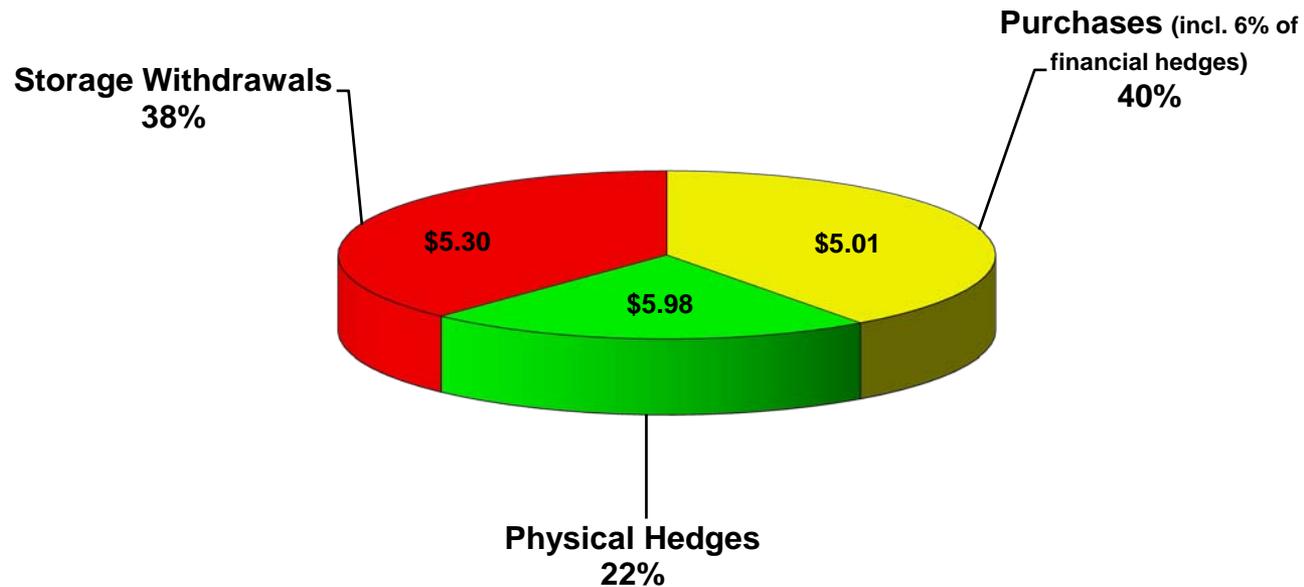
Securing Supply

- Diversifying Supply
- Investments
- Rockies Express



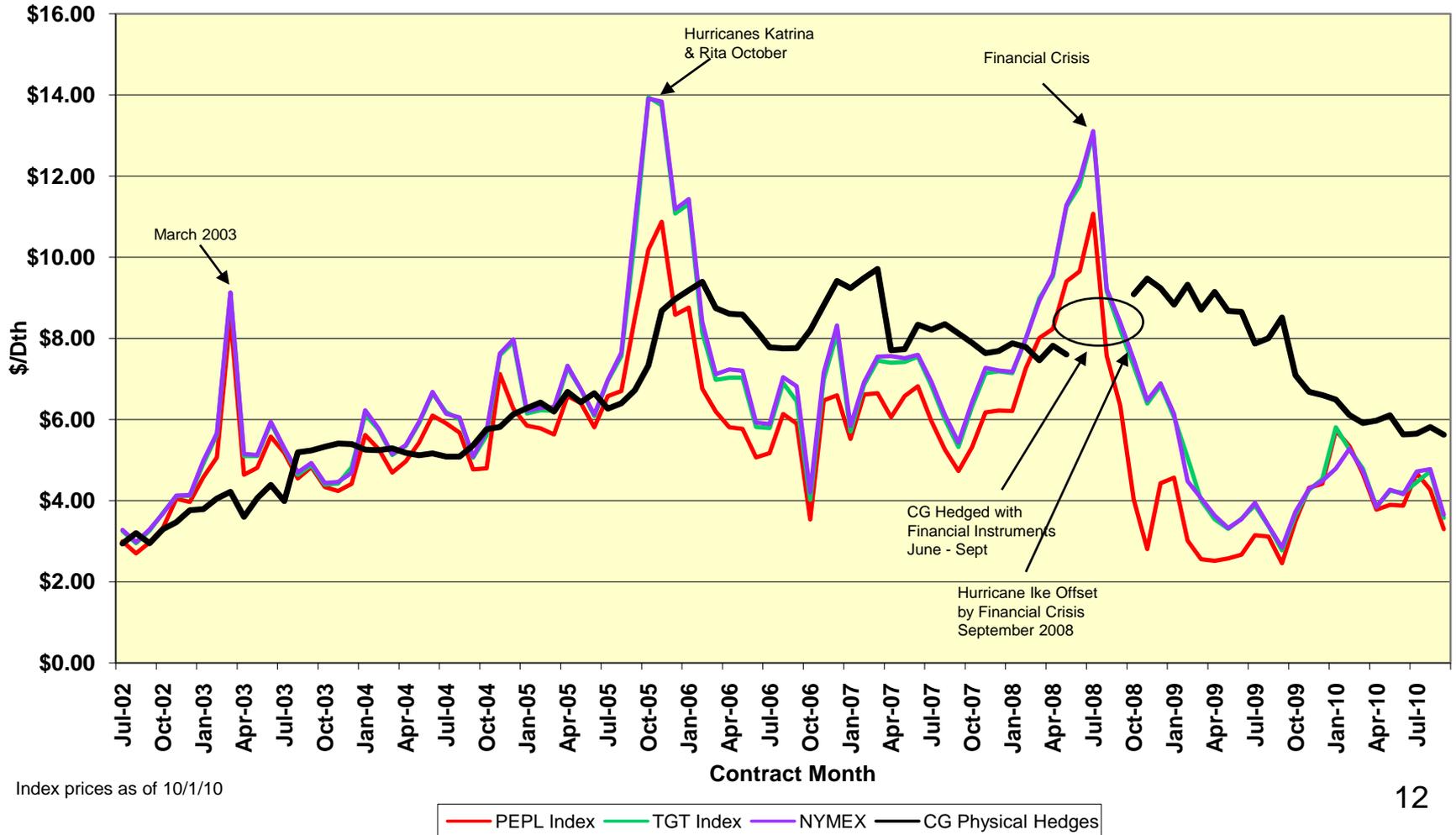
Price Volatility Mitigation

**Citizens Gas
Supply for Winter Deliveries**



Fixed Prices Vs. Indices

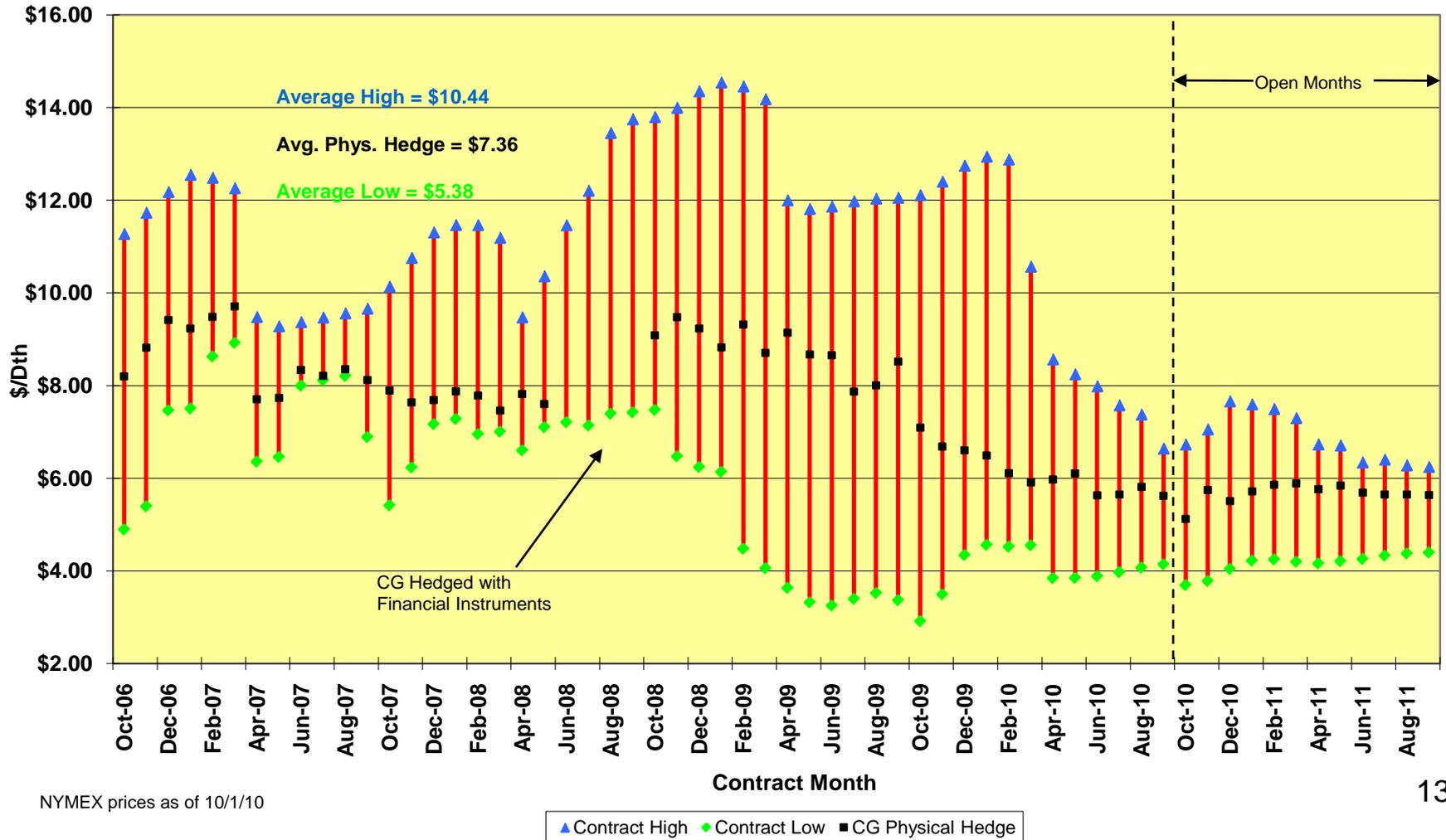
Citizens Gas
Comparison of CG Physical Hedges to Relevant Indices



Index prices as of 10/1/10

Price Volatility History

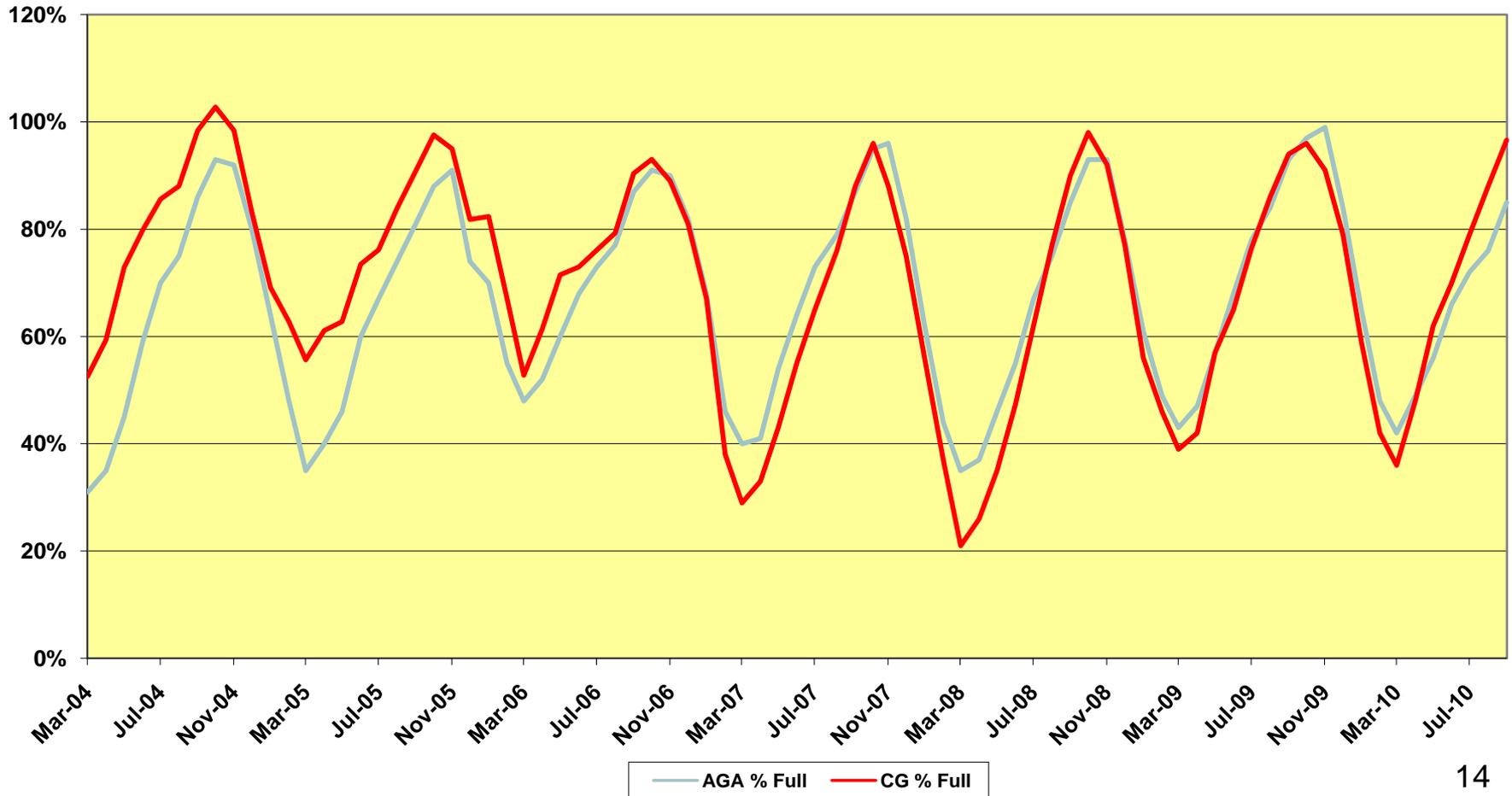
Citizens Gas NYMEX Trading Ranges for Individual Contract Months



NYMEX prices as of 10/1/10

Storage is Ready

Citizens Gas
Comparison of CG vs. AGA/EIA Storage



Conclusion

- Maintaining our focus amidst utility integration planning

Questions