

SETTLEMENT AGREEMENT

The Commissioner of Labor (hereinafter referred to as "Commissioner") and Citizens Energy Group ("Employer") hereby agree as follows:

The Commissioner amends the Safety Order(s) and Notification(s) of Penalty, IOSHA Inspection No. 317056695 issued to the Employer on September 5, 2013 in the following manner:

SAFETY ORDER 01:

- | | |
|-------------|--|
| Item No. 1: | Upheld. Grouped with Item Nos. 1, 3 and 5. Standard violated is amended to 1926.21(b)(6)(i). |
| Item No. 2: | Delete. |
| Item No. 3: | Upheld. Grouped with Item Nos. 1, 3 and 5. Standard violated is amended to 1926.21(b)(6)(i). |
| Item No. 4: | Delete. |
| Item No. 5: | Upheld. Grouped with Item Nos. 1, 3 and 5. Standard violated is amended to 1926.21(b)(6)(i). |
| Item No. 6: | Delete. |
| Item No. 7: | Delete. |

The Penalty is reduced to Zero Dollars as Citizens Energy Group is a public sector employer as the Department of Public Utilities of the City of Indianapolis and the trustee of public charitable trusts for the utilities it operates and has agreed to abate all violations.

With respect to abatement matters, Citizens retrained its work crews shortly after June 19, 2013 in confined space safety matters. In addition, Citizens conducted additional classroom training on or about September 18, 2013 and hands on at the simulator training on or about September 27, 2013 covering confined space entry matters. All such training included supervisory, as well as hourly employees. Further, Citizens has updated software that will help it track bump test and calibration history on confined space monitoring equipment. Confined space air monitor bump test hands on refresher training was conducted with Distribution employees on August 22, 2013, September 11, 2013 and October 7, 2013. Documentation of sign-in sheets at such training is provided herewith. Citizens plans on continuing to train and require its Citizens Thermal - Steam crews to complete confined space entry permits before entering permit-required confined spaces, pursuant to Citizens Thermal - Steam's operating policies..

The TOTAL AGREED PENALTY is \$00.00.

THE EMPLOYER IS SATISFIED WITH THE AMENDMENTS STATED ABOVE AND ACCORDINGLY WAIVES ITS RIGHT TO FILE A NOTICE OF CONTEST OF THE SAFETY ORDER(S) AND NOTIFICATION(S) OF PENALTY AS AMENDED AND AGREES TO WITHDRAW ANY PREVIOUSLY FILED NOTICES OF CONTEST IN THIS MATTER.

Upon full execution of this Settlement Agreement ("Agreement") the Employer will post this Agreement for three (3) working days or until abatement is completed, whichever period is longer.

The total AGREED PENALTY is due and payable within fifteen (15) working days from the Employer's execution of this Agreement. The Employer further agrees that if the AGREED PENALTY is not paid within fifteen working days from the Employer's execution of this Agreement, that the full amount of the penalty initially assessed against the Employer in the Safety Order(s) and Notification(s) of Penalty which are the subject of this Agreement is due and payable immediately.

The Safety Order(s) and Notification(s) of Penalty are, and shall be, herein a final and enforceable Order of the Board of Safety Review.

Except for this Agreement, and IOSHA matters arising out of this Agreement, and any other subsequent IOSHA proceedings between the parties, none of the foregoing agreements, statements, findings, and actions taken by Employer shall be deemed an admission by Employer of the allegations contained within the Safety Order(s) and Notification(s) of Penalty. The agreements, statements, findings and actions taken herein are made in order to compromise and settle this IOSHA matter economically and amicably, and they shall not be used for any other purpose, except as herein stated.

CITIZENS ENERGY GROUP

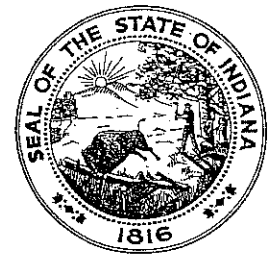
By: [Signature]
Title: VP, Energy Operations
Date: 10.29.13

COMMISSIONER OF LABOR

By: [Signature]
Title: Director
Date: 10/29/13

RAC
(per Faugre BD review)
10/29/2013

Indiana Department of Labor
Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979 Fax: 317/233-8509



Certified Mail # 7003 1010 0203 5732 9953

9-5-13

JS

Safety Order and Notification of Penalty

To: ...
Citizen Energy Group,
and its successors
2020 North Meridan Street
Indianapolis, IN 46202

Inspection Number: 317056695
Inspection Date(s): 07/17/2013 - 08/26/2013
Issuance Date: 09/05/2013

Inspection Site:
2020 North Meridan Street
Indianapolis, IN 46202

The violation(s) described in this Safety Order and Notification of Penalty is (are) alleged to have occurred on or about the day(s) the inspection was made unless otherwise indicated within the description given below.

An inspection of your place of employment has revealed conditions which we believe do not comply with the provisions of the Indiana Occupational Safety and Health Act (Indiana Code Chapter 22-8-1.1) or the standards or rules adopted thereunder. Accordingly, enclosed please find safety order(s) and notification(s) of penalty describing such violation(s) with references to applicable standards, rules, or provisions of the statute and stating the amount of any penalty(ies).

Informal Conference - Please be advised that it may be possible to informally settle any potential dispute without initiating the more elaborate proceedings brought on by a petition for review. Prior to filing a petition for review, you may request an informal conference concerning any of the results of the inspection (safety orders, penalties, abatement dates, etc.) by contacting the Indiana Department of Labor/IOSHA, preferably by telephone, in a prompt manner. Please be advised that a request for an informal conference cannot extend the fifteen working day period for filing a petition for review. Informal conferences frequently resolve any possible disputes, and therefore you are urged to take advantage of this opportunity. Because of the limited time period and in order to facilitate scheduling, any requests for an informal conference should be made promptly upon your receipt of the safety order(s) and notification(s) of penalty.

Right to Contest - You are hereby also notified that you are entitled to seek administrative review of the safety order(s), penalty(ies), or both by filing a written petition for review at the above address postmarked within fifteen working days of your receipt of the safety order(s) and notification(s) of penalty. ("Working days" means Mondays through Fridays, but does not include Saturdays, Sundays, legal holidays under a state statute or days

on which the Indiana Department of Labor's offices are closed during regular business hours). If you do not file such a petition for review (contest), the safety order(s) and penalty(ies) shall be deemed final orders of the Board of Safety Review and not subject to review by any court or agency. The issuance of a safety order does not constitute a finding that a violation has occurred unless no petition for review is filed, or if a petition for review (contest) is filed, it must contain a statement of its basis and should reference the above inspection number. Upon receipt of your petition for review, we will affirm, amend or dismiss the safety order(s) and notification(s) of penalty. If we affirm, your petition for review will be granted (unless it was not timely) and the dispute will be certified by the Board of Safety Review for further proceedings. The Board of Safety Review is an independent agency appointed by the governor with authority to conduct hearings and to issue decisions concerning disputed safety order(s) and notification(s) of penalty. If we amend the safety order(s) or notification(s) of penalty, your petition for review shall be deemed moot. However, you will then be given an opportunity to file a petition for review concerning the amended safety order(s) and notification(s) of penalty.

Please be advised that an employee or representative of employees may file a petition for review to contest the reasonableness of the time stated in the safety order(s) for the abatement of any violation.

Posting - Upon receipt of any safety order(s) you are required to post such safety order(s), or a copy thereof, unedited, at or near each place an alleged violation referred to in the safety order(s) occurred. However, if your operations are such that it is not practicable to post the safety order(s) at or near each place of alleged violation, such safety order(s) shall be posted, unedited, in a prominent place where it will be readily observable by all affected employees. For example, if you are engaged in activities which are physically dispersed, the safety order(s) may be posted at the location from which the employees operate to carry out their activities. You must take steps to ensure that the safety order is not altered, defaced, or covered by other material. Posting shall be until the violation is abated, or for three working days, whichever is longer.

Penalties - Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Abatement does not constitute payment of penalties.

Abatement - The conditions cited in the safety order(s) must be corrected (abated) on or before the date shown for each item on the safety order(s) and notification(s) of penalty unless:

(1) You file a petition for review concerning the violation, in which case the full abatement period shall commence from the issuance of a final decision by the Board of Safety Review or the courts which requires compliance with the safety order; or

(2) The abatement period is extended by the granting of a petition for modification of abatement date.

PMAs - The petition for modification of abatement date is a manner in which you may seek additional time to correct (abate) a violation without having to file a petition for review concerning the safety order, or after the expiration of the time period to file such a petition for review when it becomes apparent that you need extra time to abate the violation. A petition for modification of abatement date shall be in writing and shall include the following information:

(1) All steps you have taken, and the dates of such actions, in an effort to achieve compliance during the prescribed abatement period.

(2) The specific additional abatement time necessary in order to achieve compliance.

(3) The reasons such additional time is necessary, including the unavailability of professional or technical personnel or of materials and equipment, or because necessary construction or alteration of facilities cannot be completed by the original abatement date.

(4) All available interim steps being taken to safeguard employees against the cited hazard during the abatement period.

(5) A certification that a copy of the petition has been posted, and if appropriate, served on the authorized representative of affected employees, and a certification of the date upon which such posting and service was made.

A petition for modification of abatement date shall be filed with the Indiana Department of Labor/IOSHA no later than the close of the next working day following the date on which abatement was originally required. A later-filed petition shall be accompanied by the employer's statement of exceptional circumstances explaining the delay. A copy of such petition shall be posted in a conspicuous place where all affected employees will have notice thereof or near such location where the violation occurred. The petition shall remain posted until the time period for the filing of a petition for review of the Commissioner's granting or denying the petition expires. Where affected employees are represented by an authorized representative, said representative shall be served a copy of such petition.

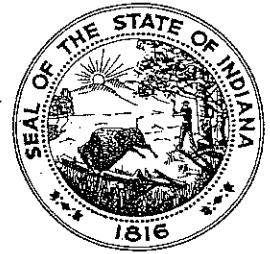
Notification of Corrective Action - Correction of the alleged violations which have an abatement period of thirty (30) days or less should be reported in writing to us promptly upon correction. A "Letter of Abatement" form and an "Abatement Photographs" worksheet are enclosed for your assistance in providing adequate documentation of abatement. Reports of corrections should show specific corrective action on each alleged violation and the date of such action. On alleged violations with abatement periods of more than thirty (30) days, a written progress report should be submitted, detailing what has been done, what remains to be done, and the time needed to fully abate each such violation. When the alleged violation is fully abated, we should be so advised. Timely correction of an alleged violation does not affect the initial proposed penalty.

Followup Inspections - Please be advised that a followup inspection may be made for the purpose of ascertaining that you have posted the safety order(s) and corrected the alleged violations. Failure to correct an alleged violation may result in additional penalties for each day that the violation has not been corrected.

Employer Discrimination Unlawful - The law prohibits discrimination by an employer against an employee for filing a complaint or for exercising any rights under this Act. An employee who believes that he/she has been discriminated against may file a complaint no later than 30 days after the discrimination occurred with the Indiana Department of Labor/IOSHA at the address shown above.

Notice to Employees - The law gives an employee or his/her representative the opportunity to object to any abatement date set for a violation if he/she believes the date to be unreasonable. The contest must be mailed to the Indiana Department of Labor/IOSHA at the address shown above within fifteen (15) working days (excluding weekends and State holidays) or receipt by the employer of this safety order and penalty.

If you wish additional information, you may direct such requests to us at the address or telephone number stated above.



NOTICE TO EMPLOYEES OF INFORMAL CONFERENCE

An informal conference has been scheduled with IOSHA to discuss the safety order(s) issued on 09/05/2013. The conference will be held at the IOSHA office located at 402 West

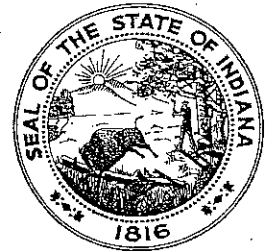
Washington Street, Room W195, Indianapolis, IN 46204 on _____ at

_____. Employees and/or representatives of employees have a right to attend an informal conference.

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 317056695
Inspection Dates: 07/17/2013 - 08/26/2013
Issuance Date: 09/05/2013



Safety Order and Notification of Penalty

Company Name: Citizen Energy Group
Inspection Site: 2020 North Meridan Street, Indianapolis, IN 46202

Safety Order 1 Item 1 Type of Violation: **Serious**

29 CFR 1910.146(c)(5)(ii)(C): Employees entered into permit spaces that met the conditions set forth in 29 CFR 1910.146(c)(5)(i) but before an employee entered the space, the internal atmosphere was not tested with a calibrated direct-reading instrument for oxygen content:

North and Pierson Street - On June 19, 2013 two employees of Citizen Energy Group entered a manhole approximately twelve feet deep without testing the atmosphere in this confined space vault.

Date By Which Violation Must be Abated: 10/01/2013
Proposed Penalty: \$4,500.00

Safety Order 1 Item 2 Type of Violation: **Serious**

29 CFR 1910.146(d)(4)(i): Under the permit-required confined space program required by 29 CFR 1910.146(c)(4), the employer did not ensure that testing and monitoring equipment needed to comply with 29 CFR 1910.146(d)(5) was maintained properly:

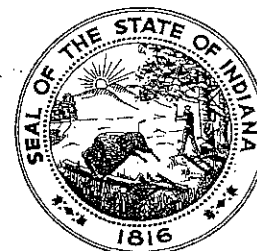
North and Pierson Street- On June 19, 2013 Citizen Energy Group had a steam leak in an underground vault and the first truck on the scene had an air monitor with a dead battery and the crew was unable to test for the atmospheric conditions prior to entry.

Date By Which Violation Must be Abated: 10/01/2013
Proposed Penalty: \$4,500.00

Indiana Department of Labor

Indiana Occupational Safety and Health
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Safety Order and Notification of Penalty

Company Name: Citizen Energy Group
Inspection Site: 2020 North Meridan Street, Indianapolis, IN 46202

Safety Order 1 Item 3 Type of Violation: **Serious**

29 CFR 1910.146(d)(6): Under the permit-required confined space program required by 29 CFR 1910.146(c)(4), the employer did not provide at least one attendant outside the permit space into which entry was authorized for the duration of entry operations:

Intersection between North and Pierson Street - On June 19, 2013 employees were entering an underground vault through a manhole to locate a steam leak and there was no attendant assigned the task to monitor the employees entering the confined space(s).

Date By Which Violation Must be Abated: 10/01/2013
Proposed Penalty: \$4,500.00

Safety Order 1 Item 4 Type of Violation: **Serious**

29 CFR 1910.146(d)(9): Under the permit-required confined space program required by 29 CFR 1910.146(c)(4), the employer did not develop and implement procedures for summoning rescue and emergency services, for rescuing entrants from permit spaces to rescued employees, and for preventing unauthorized personnel from attempting a rescue:

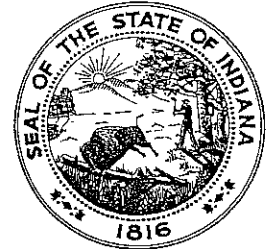
Intersection at North and Pierson street - On June 19, 2013 employees responded to a steam leak and were unaware of the procedures for notifying rescue and emergency responders for rescuing entrants from permit spaces. The confined space entry supervisor had not been identified (three supervisors were on site) and was not in control of the situation to prevent rescue attempts before all potential hazards to emergency responders were eliminated.

Date By Which Violation Must be Abated: 10/01/2013
Proposed Penalty: \$4,500.00

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Company Name: Citizen Energy Group
Inspection Site: 2020 North Meridan Street, Indianapolis, IN 46202

Safety Order 1 Item 5 Type of Violation: **Serious**

29 CFR 1910.146(e)(1): Before entry was authorized, the employer did not document the completion of measures required by 29 CFR 1910.146(d)(3) by preparing an entry permit:

North and Pierson- On June 19,2013 employees who entered the underground vault through a manhole did not fill out confined space entry permit prior to entry.

Date By Which Violation Must be Abated: 10/01/2013
Proposed Penalty: \$4,500.00

Safety Order 1 Item 6 Type of Violation: **Serious**

29 CFR 1910.146(g)(1): The employer did not provide training so that all employees whose work was regulated by 29 CFR 1910.146, Permit-required confined spaces, acquired the understanding, knowledge, and skills necessary for the safe performance of the duties assigned:

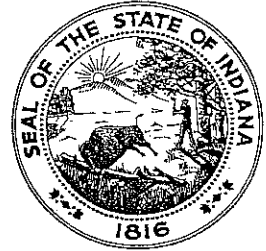
Intersection of North and Pierson Street- On June 19,2013 employees attempting to determine the location of a steam leak entered a manhole prior to completing a confined space entry permit. Employees did not test the atmosphere in the vault before entering the manhole. Entrant was not wearing the required PPE (personal protective equipment) and after entering the underground vault (confined space), the entrant unhooked from the rescue harness.

Date By Which Violation Must be Abated: 10/01/2013
Proposed Penalty: \$4,500.00

Indiana Department of Labor

Indiana Occupational Safety and Health
Administration

Inspection Number: 317056695
Inspection Dates: 07/17/2013 - 08/26/2013
Issuance Date: 09/05/2013



Safety Order and Notification of Penalty

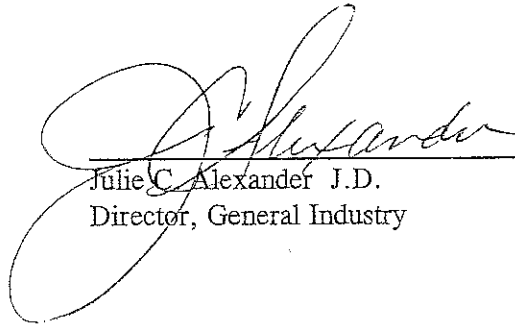
Company Name: Citizen Energy Group
Inspection Site: 2020 North Meridan Street, Indianapolis, IN 46202

Safety Order 1 Item 7 Type of Violation: **Serious**

29 CFR 1910.146(k)(1)(v): The employer did not provide a rescue team or service with access to all permit spaces from which rescue may be necessary so that rescue service can develop appropriate rescue plans and practice rescue operations:

Facility Wide- Employer did not practice any mock confined space rescues with employees on rescue team.

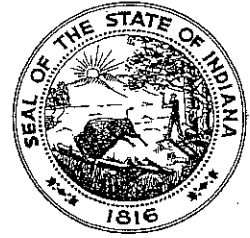
Date By Which Violation Must be Abated: 10/01/2013
Proposed Penalty: \$4,500.00



Julie C. Alexander J.D.
Director, General Industry

Indiana Department of Labor

Indiana Occupational Safety and Health Administration
402 West Washington Street
Room W195
Indianapolis, IN 46204-2751
Phone: 317/232-1979 Fax: 317/233-8509



INVOICE/DEBT COLLECTION NOTICE

Company Name: Citizen Energy Group
Inspection Site: 2020 North Meridan Street, Indianapolis, IN 46202
Issuance Date: 09/05/2013

Summary of Penalties for Inspection Number: 317056695

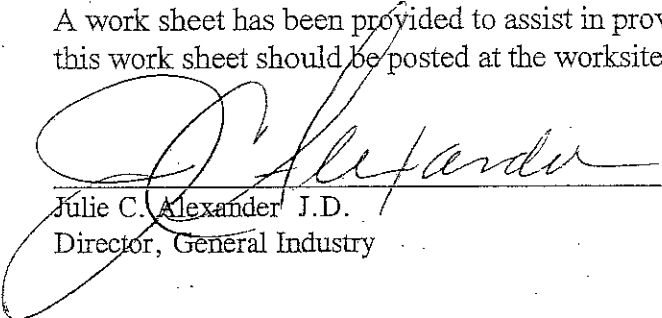
Safety Order 01, Serious	=	\$31,500.00
Total Proposed Penalties		\$31,500.00

Penalties are due within fifteen (15) working days of receipt of this notification unless contested. Make your check or money order payable to: "Indiana DOL/IOSHA". Please indicate IOSHA's Inspection Number (indicated above) on the remittance.

IOSHA does not agree to any restrictions or conditions or endorsements put on any check or money order for less than full amount due, and will cash the check or money order as if these restrictions, conditions, or endorsements do not exist.

Corrective action, taken by you for each alleged violation should be submitted to this office on or about the abatement dates indicated on the Safety Order and Notification of Penalty.

A work sheet has been provided to assist in providing the required abatement information. A completed copy of this work sheet should be posted at the worksite with the safety order(s).



Julie C. Alexander J.D.
Director, General Industry

Date

9/5/13
