

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD FEBRUARY 21, 2018**

Pursuant to notice duly given and posted as required by law, a joint meeting of the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group and the Board of Directors of CWA Authority, Inc. (jointly referred to as the “Board” unless otherwise noted) convened at 9:55 a.m., EST, Wednesday, February 21, 2018, at the offices of Citizens Energy Group (“Citizens”), 2150 Dr. Martin Luther King, Jr. Street, Indianapolis, Indiana.

All Board members were present at the meeting: Daniel C. Appel (Chair), Moira M. Carlstedt, Jeffrey E. Good, Christia Hicks, J.A. Lacy, Anne Nobles, Maria M. Quintana, Phillip A. Terry, and Joseph E. Whitsett.

Present from Citizens: President and Chief Executive Officer, Jeffery A. Harrison; Senior Vice President and Chief Customer Officer, Michael D. Strohl; Vice President of Energy Operations, Christopher H. Braun; Vice President of Capital Programs and Engineering, Mark Jacob; Vice President and Controller, Sabine Karner; Vice President of Information Technology, John Lucas; Vice President of Regulatory and External Affairs, LaTona Prentice; Vice President of Human Resources and Chief Diversity Officer, Jodi Whitney; Vice President of Water Operations, Jeffrey A. Willman; Director of Corporate Affairs, Jeff Brown; Director of Customer Relationships, Gregory Sawyers; Director of Government and External Affairs, Joseph Sutherland; Senior Legal Counsel, Suzanne Gaidoo; and Manager of External Relations and Special Projects, Shannon Stahley.

Others present at the meeting were: Richard J. Thrapp, Partner with the law firm of Ice Miller LLP; and Kevin Flynn, President of Caldwell VanRiper. Also present at the meeting was Jeff Glanders, President of August Mack Environmental, who attended a portion of the meeting.

The meeting was called to order by the Chair of the Board.

The Chair requested Board members to recuse themselves from any action items on the agenda if they identified a conflict. No items or conflicts were identified.

The Board considered the minutes of its last meetings. Upon a motion duly made and seconded, the Board of Directors of Citizens Energy Group unanimously approved the minutes of the annual meeting held January 8, 2018. Thereafter, and upon a motion duly made and seconded, the Board of Directors of CWA Authority, Inc. unanimously approved the minutes of the annual meeting held January 8, 2018.

The Chair certified that the subjects discussed during the Executive Session of the Board held on February 21, 2018 was limited solely to the items set forth in the Public Notice, attached as Exhibit "A".

The Chair invited Mr. Braun to provide a report from Energy operations. Mr. Braun requested that the Board consider and authorize execution of a gas transportation agreement between Citizen Gas and Citizens Thermal (specifically, the steam utility). Following discussion, and upon a motion duly made and seconded, the Board of Directors of Citizens Energy Group unanimously approved the following:

WHEREAS, the Board of Directors for Utilities of the Department of Public Utilities (the "Board") of the City of Indianapolis (the "City") operates the gas utility providing gas utility services to customers in the City (the "Gas Utility") and the steam utility providing steam utility services to customers in the City (the "Steam Utility");

WHEREAS, the Steam Utility is faced with concentration risk of its largest customers, which customers have competitive options to the continued purchase of steam utility services, including switching to alternative space conditioning and process sources as well as relocating facilities to other cities;

WHEREAS, the Steam Utility therefore desires to lower its gas transportation costs to mitigate the risk of one or more large steam utility customers terminating the purchase of steam utility services;

WHEREAS, the Steam Utility is one of the largest customers of the Gas Utility, and the Gas Utility therefore desires to take steps to prevent the loss of transportation revenues it receives from the Steam Utility that would be caused by the Steam Utility's loss of one or more of its largest customers;

WHEREAS, Board employees responsible for the management of the Gas Utility and Board employees responsible for the management of the Steam Utility have negotiated at arms' length and have agreed to a Gas Transportation Agreement (the "Agreement") that achieves the objectives of the Steam Utility and the Gas Utility described above;

WHEREAS, the Board now finds that the rates, charges, terms and conditions set forth in the Agreement (i) will allow the Gas Utility to recover its incremental cost of providing service to the Steam Utility and provide a contribution to the recovery of the Gas Utility's fixed costs; and (ii) are reasonable and should be approved; and

WHEREAS, the Board further finds that certain rates, charges, terms and conditions in the Agreement contain trade secrets that are confidential and proprietary and exempt from public access and disclosure requirements under Indiana law;

NOW THEREFORE, BE IT RESOLVED that:

(i) The Officers of the Board are hereby authorized to enter into and execute on behalf of the Board a contract substantially in the form of the Agreement with such changes as management of the Board determines to be advisable;

(ii) The Officers of the Board are hereby authorized to execute and file on behalf of the Board a Petition requesting approval of the Agreement by the Commission; and

(iii) Employees responsible for the management of the Gas Utility and employees responsible for the management of the Steam Utility shall prepare and file such testimony and exhibits as necessary to support the relief requested in such Petition and take such other actions as management of the Board determines advisable in order to obtain the Commission's approval of the Agreement and protect the confidentiality of the rates, charges, terms and conditions in the Agreement that contain trade secrets that are confidential and proprietary and exempt from public access and disclosure requirements under Indiana law.

Thereafter, Mr. Braun requested that the Board consider and authorize execution of a gas transportation agreement between Citizens Gas and Indianapolis Power & Light Company. Following discussion, and upon a motion duly made and seconded, the Board of Directors of Citizens Energy Group unanimously approved the following:

WHEREAS, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis (the "Board"), through its Citizens Gas utility ("Citizens Gas"), pursuant to a Facilities Construction, Capacity Reservation and Gas Transportation Agreement entered into on October 29, 1999, as amended (the "Prior Transportation Agreement"), currently provides transportation service for the delivery of natural gas owned by IPL to Indianapolis Power & Light Company ("IPL") for the purpose of electric power generation at IPL's Georgetown electric generating facility (the "Georgetown Facility");

WHEREAS, IPL and Citizens Gas desire to terminate the Prior Transportation Agreement and enter into a new agreement pursuant to which Citizens Gas will provide firm transportation service to IPL for the delivery of natural gas owned by IPL for the purpose of electric power generation at the Georgetown Facility;

WHEREAS, management of the Board and IPL have negotiated a proposed Capacity Reservation and Gas Transportation Agreement (the "Agreement") containing rates, charges, terms and conditions that management recommends the Board approve;

WHEREAS, the Board now finds that the rates, charges, terms and conditions set forth in the Agreement (i) will allow Citizens Gas to recover its incremental cost of providing service to the Georgetown Facility and provide a contribution to the recovery of Citizens Gas's fixed costs; and (ii) are reasonable and should be approved; and

WHEREAS, the Board further finds that certain rates, charges, terms and conditions in the Agreement contain trade secrets that are confidential and proprietary and exempt from public access and disclosure requirements under Indiana law;

NOW THEREFORE, BE IT RESOLVED that:

(i) The Officers of the Board are hereby authorized, individually or jointly, to enter into and execute on behalf of the Board a contract substantially in the form of the Agreement with such changes as management of the Board determines to be advisable;

(ii) The Officers of the Board are hereby authorized, individually or jointly, to execute and file on behalf of the Board a Petition requesting approval of the Agreement by the Indiana Utility Regulatory Commission (the "Commission"); and

(iii) Management of the Board also shall prepare and file such testimony and exhibits as necessary to support the relief requested in such Petition and take such other actions as it determines advisable in order to obtain the Commission's approval of the Agreement and protect the confidentiality of the rates, charges, terms and conditions in the Agreement that contain trade secrets that are confidential and proprietary and exempt from public access and disclosure requirements under Indiana law.

The Chair addressed management's request to approve the energy efficiency filing set forth in Gas Cost Adjustment (GCA) 137. Upon a motion duly made and seconded, the Board of Directors of Citizens Energy Group unanimously approved the following:

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES that GCA 137, attached as Exhibit "B", is hereby ratified, confirmed, and approved.

The Chair next invited Mr. Good to provide a report from the Audit and Risk Committee (the "Audit Committee"). Mr. Good reported that Citizens Energy Group was generating net income to meet debt service. He acknowledged that the Audit Committee was satisfied with the preliminary Fiscal Year 2018 First Quarter Financial Statements and recommended approval to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the preliminary Fiscal Year 2018 First Quarter Financial Statements for Citizens Energy Group.

Next, Mr. Good reported that the Audit Committee received a report from the external audit firm, Deloitte and Touche LLP ("Deloitte"). He reported that representatives from Deloitte presented a finding of no concern related to the preliminary results of their first quarter audit review. Mr. Good stated that the Audit Committee considered both Deloitte's proposed 2018 Audit Engagement Letter Addendum and proposed 2018 Audit Fees for Citizens Energy Group, and that the Audit Committee recommended approval of the same to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the proposed 2018 Audit Engagement Letter Addendum for Citizens Energy Group and CWA

Authority, Inc. Thereafter, and upon a motion duly made and seconded, the Board unanimously approved the proposed 2018 Audit Fees for Citizens Energy Group and CWA Authority, Inc.

Mr. Good reported that the Audit Committee received a quarterly update from internal auditors, noting that internal audit activities planned for 2018 were on track. He also reported that the Audit Committee considered and recommended for approval to the Board an amended Internal Audit Activity Charter as presented to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the amended Internal Audit Activity Charter.

Mr. Good concluded his report to the Board noting that the Audit Committee received an update about Enterprise Risk Management (“ERM”). He stated that the Audit Committee considered and recommended for approval to the Board an amended ERM Charter as presented to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the amended ERM Charter.

Following Mr. Good’s report, the Board reviewed financial highlights for Citizens Energy Group. Ms. Karner indicated that debt service coverages were in line with expectation.

Next, the Chair invited Mr. Harrison to present a report on first quarter activities. Mr. Harrison highlighted, among other achievements, the opening of the first 10 miles of the DigIndy Tunnel System; record natural gas deliveries during one of the coldest Januarys on record; and the 10th Annual “Sharing the Dream” project at Brookside Park.

Upon inquiry from the Board, Mr. Braun expanded upon the record gas deliveries this winter, including the financial impact of increased gas use on customers. Mr. Braun replied that gas demand was met without incident and Citizens had sufficient gas supply to meet system needs. Mr. Braun also replied that while gas consumption may raise customer bills, gas costs passed on to Citizens’ customers have declined over the past 5 years. He added that Citizens expects to provide approximately \$1.4 million dollars towards assistance this winter through Warm Heart Warm Home Foundation, Inc. and the Universal Service Fund.

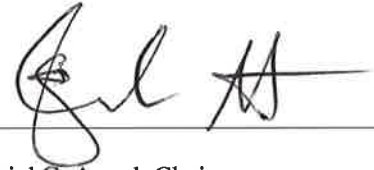
The Chair invited Mr. Sutherland to provide an update on environmental remediation work at Pleasant Run Crossing. Mr. Sutherland recognized Jeff Glanders of August Mack Environmental and Shannon Stahley of Citizens Energy Group for their work in securing approval and ongoing implementation of a Remediation Work Plan (RWP) for the entire site. Mr. Sutherland explained the RWP was approved by Indiana Department

of Environmental Management on December 18, 2017. He highlighted that several remediation measures were already complete, including improvements to Pleasant Run Creek and removal of soils in the gas storage area. Mr. Sutherland also informed the Board that ongoing remediation activities would include erosion control measures and the planting of about 1,400 trees and shrubs.

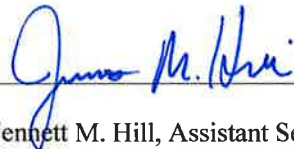
Following Mr. Sutherland's report, Mr. Brown reviewed the results for the 2017 Corporate Accountability Survey. He reported increases in seven out of eight performance measures and overall customer satisfaction standing at 90 percent.

Mr. Brown also presented the 2018 Integrated Communications Plan. He stated that the objectives of the Integrated Communications Plan included raising the awareness of the benefits of the DigIndy project. Mr. Brown shared highlights of a new campaign influenced by how Citizens is inspired by its customers and the communities it serves. He noted that the campaign included use of all mediums, especially radio, web, and social media; a comprehensive public outreach program; a virtual reality video tour of DigIndy; and a proposed public art contest involving art on manhole covers.

The Chair then invited public comment. There being no public comment and no further business, the meeting was adjourned.



Daniel C. Appel, Chair
Board of Directors



Jennett M. Hill, Assistant Secretary
Board of Directors