

Citizens Thermal Update

A Division of Citizens Gas & Coke Utility

Fall, 2005 Volume 3, Issue 3

Citizens Thermal Helps VA Medical Center Focus on Providing Top Rated Health Care

Whether it is keeping patients comfortable or ensuring surgical instruments are sterile, John Elliott knows that steam provided by Citizens Thermal Energy plays an important behind-the-scenes role in helping the Richard L. Roudebush VA Medical Center achieve its mission.

"When it comes to steam service, reliability and performance are vital for this facility, and with Citizens

Thermal we have it. We have had two brief interruption in service in two years and that situation was handled well by Citizens," said Elliott, Assistant Chief Engineer for the Indianapolis VA facility located on the White River off of W. 10th Street.

Rated among the top 20 VA healthcare facilities in the United States, the Roudebush VA Medical Center provides care during more than 47,000 patient visits each year. These numbers will grow over the next several years as the facility undergoes a \$20 million expansion that will add two floors on one wing and another \$5 million expansion of one floor on another wing totaling 88,500 additional square feet to the building. This will be the third major expansion for the hospital since it opened its doors in 1952.

Choosing steam service from Citizens Thermal back in 2003 was both a matter of service, quality and economics, explained Elliott. "We had been receiving steam service through IUPUI. While the steam from IUPUI was reliable, we've noticed a lot more attention to customer service from Citizens Thermal because steam is their primary business. Citizens Thermal is very concerned about quality service," Elliott said.

Providing our own steam service would have been cost-prohibitive from both an operating and capital budget standpoint, explained Elliott. "The VA would have required us to build a boiler plant that we would have to operate 24/7, which would require hiring five additional people. In addition to the labor costs, you have the costs for ongoing employee training, maintenance costs and expensive environmental compliance issues. Using steam from Citizens Thermal helps us avoid all those costs and focus on our mission of providing the very best healthcare to the nation's veterans," Elliott said.

While he can't predict the future facility needs of the hospital, Elliott said he is glad Citizens Thermal is committed to expanding its systems to meet the growing energy needs of downtown.

Richard L. Roudebush VA Medical Center At a Glance

Employees: 1,500

Beds: 150

Annual Patient Visits: 47,000

Annual Outpatient Visits: 400,000

Annual Inpatient Treated: 7,000



John Elliott (left) discusses the hospital's energy needs with Bill Petty, Director of Market Development for Citizens Thermal Energy. The Richard L. Roudebush VA Medical Center will undergo a \$20 million expansion over the next 30 months.

Carey Lykins Named President and CEO of Citizens Gas



The Board of Directors of Citizens Gas & Coke Utility recently announced the promotion of Carey B. Lykins to President and Chief Executive Officer of the utility. Formerly Executive Vice President and Chief Operating Officer, Lykins succeeds David Griffiths, who has retired after more than seven years as President and CEO, and 27 years of service to the utility.

“Carey Lykins is a dynamic leader with a proven track record characterized by sound judgment, innovation and outstanding communications skills,” said Board of Directors

President James Wade. “Like his predecessor Dave Griffiths, Carey understands how to motivate employees to ensure that the Public Charitable Trust lives up to its vision of being the best at customer satisfaction in the eyes of the customer and therefore become the local distribution company of utility services.”

Lykins said, “It has been a true privilege to have served the Public Charitable Trust for more than 30 years and I am humbled by the challenge of carrying on the legacy left by Dave Griffiths and his predecessors. I look forward to leading our increasingly diverse workforce as it tackles the difficult issues of today’s volatile energy market, while maintaining the high standards of customer satisfaction we have established over the past several years.”

Starting as a cashier with the Utility in 1973, Lykins worked his way up through positions of increasing responsibility in Customer Services, Rates, and Finance. He was promoted to Senior Vice President and Chief Financial Officer in 2000 and Executive Vice President and Chief Operating Officer in 2003.

Lykins’ tenure as COO has been highlighted by the utility’s growing commitment to creating a more diverse workforce and successful implementation of the Sarbanes-Oxley accounting standards. Citizens Gas also has been rated one of the best utilities in the Midwest for the past three years in a customer satisfaction study conducted by the prestigious J.D. Power and Associates organization.

Lykins has been involved in numerous community service organizations. He currently serves on the Indianapolis Neighborhood Housing Partnership Finance Committee and is the Corporate Chairperson for the Leukemia and Lymphoma Society’s annual Light the Night fundraiser.

An Indianapolis native, Lykins graduated from Indiana University in 1973 with a bachelor of science degree in Finance and in 1981 received an MBA from IU. He also is a CPA.

Citizens Thermal Expects to Comply with MACT Standard Early

Citizens Thermal Energy plans to meet the U.S. EPA’s Maximum Achievable Control Technology Standards (MACT) for industrial and commercial boilers and process heaters well before the September 2007 deadline.

The final rule with respect to boilers and process heaters applies to emissions of arsenic, cadmium, chromium, hydrogen chloride, hydrogen fluoride, lead, manganese, mercury, nickel and various other hazardous air pollutants.

“Given our long-standing commitment to good environmental stewardship, Citizens is committed to meeting the new MACT standards and making other air emission reductions as soon as possible. While we are still in the engineering design phase, the project is on schedule for completing most of the work during 2006,” said Ann McIver, Manager of Environmental and Regulatory Affairs for CTE.

Compliance with the new

MACT standards will require a \$14 million investment in emission control technology at CTE facilities. Project highlights for next year include:

- Work to improve particulate control equipment on coal-fired boilers 15 and 16 is scheduled to begin late next summer. This work will allow CTE to meet the applicable MACT particulate emissions limits nearly 15 months ahead of schedule.

- Extensive work on the other coal-fired boiler is scheduled for mid-2006 with the refurbishment of the electrostatic precipitator, which will be used in series with existing pollution control equipment to meet the MACT limits.

CTE also expects next year to install new burner equipment on the boilers to reduce nitrogen oxide (NOx) emissions. Although NOx is not part of the MACT limits, it will help the utility comply with new state NOx limits during the summer ozone season.



Citizens Receives Approval for Heartland Pipeline

Citizens Gas & Coke Utility and ProLiance Energy recently received approval from the Indiana Utility Regulatory Commission to construct and operate a new 25-mile pipeline to provide Central Indiana direct access to affordable, clean-burning natural gas from the western United States and Canada.

Heartland Gas Pipeline will be the first new source of gas connected to the Citizens Gas system since 1986 and represents its first direct access to gas from Canada and the western United States.

Heartland Gas Pipeline, a 50/50 joint venture of subsidiaries of Citizens Gas and ProLiance Energy, will build and operate a 16-inch diameter pipeline to transport up to 80,000 dekatherms per day of natural gas to the region (a typical central Indiana home uses approximately 120 dekatherms per year). The \$17 million pipeline in southern Indiana will begin at an interconnect with the Midwestern Gas Transmission system in Sullivan County and extend about 25 miles east through Clay County to the Citizens Gas Underground Storage facilities in Greene County. Construction of the new pipeline is expected to begin in the spring with service to begin by November 2006.

Through its interconnection with Midwestern Gas Transmission, Heartland Gas Pipeline will improve supply reliability and diversity by providing Central Indiana improved access to growing gas supply

volumes now flowing into an interstate pipeline delivery hub located near Chicago. Central Indiana is currently served by Texas Gas Transmission and Panhandle Eastern

pipelines, which primarily transport gas supplies from the southwestern U.S. and the Gulf of Mexico.

"We are very pleased the IURC has approved the Heartland Gas Pipeline. Heartland's access to multiple gas supply sources will provide the opportunity to lower gas costs to customers by the winter of 2006. The pipeline also will enhance our ability to mitigate spikes in wholesale gas prices, such as the ones we are seeing now, which are due to market forces and supply disruptions caused by Hurricanes Katrina and Rita," said Carey Lykins, President and CEO of Citizens Gas.



Employee Spotlight - Ann McIver



Job Title: Manager of Environmental & Regulatory Affairs, Thermal Division

Job Duties: Ensure that all environmental program requirements are met by the operating facilities, including report preparation and submittal, compliance evaluations, recordkeeping, etc.

Also, work with the regulatory agencies at the state and federal level to ensure that our voice is heard during the consideration of new rules that might impact the Citizens Thermal Energy.

Favorite part of the job: The variety -- even though it is sometimes frustrating, I enjoy the challenges that each day provides. Some of the data management is tedious, so having the chance to work on permits and rules, makes my job more interesting.

How does my job affect the customer? I

would suggest that I'm "behind the scenes" -- environmental compliance, or being in compliance, has no impact on the customer. When we're having problems with the boilers at the steam plant or with other issues at the chilled water plants, communicating with the regulatory agencies to keep them informed allows CTE to minimize the disruptions to the customers that we might otherwise experience.

What are my hobbies outside of work? I enjoy riding my bicycle, and completed my first 25-mile Central Indiana Bicycle Association ride in June. My two boys keep me busy as well, with marching band, track, and diving. In my spare time, I'm also pursuing my Masters in Public Affairs at IUPUI's School of Public and Environmental Affairs.

Before coming to Thermal: I spent nearly seven years at the Indiana Department of Environmental Management, where I focused on compliance testing and monitoring, then nearly 2 years with Indianapolis Power & Light in corporate environmental affairs. I joined CTE when it was acquired by Citizens in November 2000.

Steam and Chilled Water Service Telephone Numbers

Dave Toombs,
Thermal General Manager,
317-927-4356 (office)
317-727-1342 (cell)

Jamie Dillard,
Assistant General Manager
317-693-8858 (office)

Sharon Connell,
Customer Service & Billing
Representative
317-261-8794

**Toll Free Number - Customer
Service & Billing**
877-313-2467

Jeff Hansen, Facilities Manager
(Chilled Water Operations)
317-693-8704 (office)
317-695-2019 (cell)

Bob Purdue,
Plant Manager (Steam Operations)
317-693-8701 (office)
317-695-0512 (cell)

Bob Taber, Foreman,
Customer Service & Metering
317-693-8883 (office)
317-695-7924 (cell)

Other telephone numbers: Marketing - Steam and Chilled Water

Bill Tracy, Vice President,
Market Development
317-927-4534 (office)

Bill Petty, Director,
Market Development
317-927-4742 (office)

Lane Dunagin,
Industrial Sales Consultant
317-927-4347 (office)
317-694-2776 (cell)

Steam and Chilled Water Service Emergency Contacts

*In the event of a steam or chilled
water emergency, Citizens Thermal
Energy can be reached at the follow-
ing numbers:*

**Steam Plant Operations
Emergency 24-Hour Number
(Steam Operations Control Room)**
317-261-8804

Shift Supervisor's Office
317-261-8819

Ron Pinkins, Operations Supervisor
317-261-8807 (office)
317-431-4414 (cell)

**Chilled Water Plant Operations
Emergency 24-Hour Number
(Chilled Water Control Room)**
317-236-6700