



A member of Citizens Energy Group  
2020 N. Meridian St. | Indianapolis, IN | 46202-1393  
www.citizensgas.com

ORIGINAL

November 29, 2010

Brenda A. Howe  
Secretary of the Commission  
Indiana Utility Regulatory Commission  
101 West Washington St., Suite 1500 E  
Indianapolis, IN 46204

RECEIVED  
NOV 29 2010  
INDIANA UTILITY  
REGULATORY COMMISSION

Dear Ms. Howe:

Re: Thirty – Day Filing for Citizens Gas Pursuant to 170 IAC 1-6

In compliance with the Stipulation and Settlement Agreement in Cause No. 41605, Citizens Gas is requesting this Customer Benefit Distribution ("CBD") filing be processed under the Commission's Thirty-Day Administrative Filing Procedures and Guidelines (Guidelines) pursuant to 170 IAC 1-6 in order to be effective January 1, 2011. This filing is an allowable request under the Guidelines because it is a filing for which the Commission has already approved the procedure for the change. Notice of Citizens Gas' intent to make this filing was provided to the Office of the Utility Consumer Counselor on October 19, 2010.

Enclosed for your review and approval by the Commission, please find the following:

Third Revised Page No. 503 Customer Benefit Distribution

Also enclosed are supporting schedules 1 through 3 and Exhibit A.

The Settlement Agreement established the CBD for the purposes of (1) distributing to Citizens Gas customers available funds from its unregulated businesses and affiliates or subsidiaries and (2) providing a means for Citizens Gas to recover certain FAS106 and FAS71 costs incurred by Citizens and agreed to by the Parties.

The CBD filing shows the amount of available funds Citizens Gas received during the preceding fiscal year from unregulated businesses and affiliates or subsidiaries, and the net amount of those funds that Citizens Gas' management and its Board of Directors, by resolution, have determined will be provided for the benefit of gas customers through the Customer Benefit Distribution. The calculation of the CBD, based upon expected calendar year 2011 throughput to gas customers is provided on schedules 1 through 3.

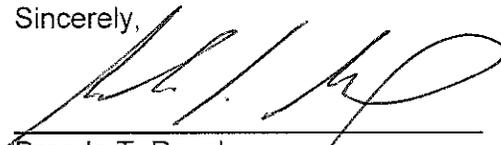
Citizens Gas affirms that a notice regarding the filing in the form attached hereto as Exhibit A was published on November 24, 2010 in the Indianapolis Star, a newspaper of general circulation in the Indianapolis metro area, where the largest number of Citizens Gas customers is located. Citizens Gas also affirms that this notice has been posted on the utility's website and in the utility's customer service lobby.

Brenda A. Howe  
November 29, 2010  
Page 2

Upon approval of the enclosed tariff sheet, please return one (1) file-marked and approved stamped copy of the tariff sheet to Janet Nance for our files. Any questions concerning this submission should be directed to:

Brenda T. Royal  
Sr. Rate & Regulatory Analyst  
2020 N. Meridian Street  
Indianapolis, In  
Email: [broyal@citizensenergygroup.com](mailto:broyal@citizensenergygroup.com)  
Phone/Fax: 317-927-4302

Sincerely,



Brenda T. Royal  
Sr. Rate & Regulatory Analyst

Enclosures  
cc: Office of the Utility Consumer Counselor



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**VERIFICATION**

I, Brenda T. Royal, Sr. Rate & Regulatory Analyst for Citizens Gas; affirm under penalties of perjury that the foregoing representations concerning the noticed attached as Exhibit A are true and correct to the best of my knowledge, information and belief. The attached notice was published in a newspaper of general circulation encompassing the highest number of the utility's customers affected by the enclosed filing. The attached notice was also published on the citizensgas.com website under the link Rates and Regulatory Notices.

A handwritten signature in black ink, appearing to read 'B.T. Royal', written over a horizontal line.

By: Brenda T. Royal  
Sr. Regulatory Affairs Analyst  
Citizens Gas

Date: 11.29.10

Citizens Gas  
2020 North Meridian Street  
Indianapolis, Indiana 46202

Third Revised Page No. 503  
Superseding Second Revised Page No. 503

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**RIDER C**

**CUSTOMER BENEFIT DISTRIBUTION**

The Delivery Charges specified in Gas Rate Nos. D1, D2, D3, D4, D5, D7 and D9 shall be adjusted from time to time in accordance with the Final Order of the Indiana Utility Regulatory Commission in Cause No. 41605 to reflect funds made available from the non-regulated activities of the Utility.

**APPLICABLE RATE:**     \$ (0.0018) per Therm

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Current base rates effective pursuant to  
I.U.R.C. Order in Cause No. 43463

Effective: January 1, 2011

**Citizens Gas**  
**2010 Customer Benefit Fund**  
**Customer Benefit Distribution Calculation For Distribution During 2011**

Schedule 1

1	Cash Available for Customer Benefit Policy Consideration at 9/30/10 (Sch. 2, In 17)	\$16,926,381
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**Cash Used for Customer Benefit Policy**

**Uses FY2011**

2	Philanthropy	\$1,841,500
3	Trust Image	1,481,000
4	FAS 106 Recovery - Gas Div. Expense	<u>861,000</u>
5	Total Uses FY2011 (In2 + In3 + In4)	\$4,183,500

**Customer Benefit Policy Funds to Customers**

6	FAS106 Matching	\$861,000
7	Customer Benefit Policy Funds to Customers (In6)	<u>861,000</u>
8	Total Cash Used by Customer Benefit Policy (In5+In7)	<u>5,044,500</u>
9	Cash Held for Long-Term Trust Needs (In1-In8)	<u><u>\$11,881,881</u></u>

<b>Customer Benefit Distribution Calculation</b>
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10	Customer Benefit Policy Funds to Customers (In7)	\$861,000
11	Undistributed Customer Benefit Funds at 12/31/09 (Sch. 3, In 3)	<u>(34,500)</u>
12	Total Funds to Customers (In10+In11)	\$826,500
13	Projected Sales for Calendar Year 2011	<u>46,596,233 Dth</u>
14	Customer Benefit Tracking Factor per Dth (In12/In13)	<u><u>\$0.018 /Dth</u></u>

**Citizens Gas**  
**2011 Customer Benefit Fund**  
**Cash Available for Customer Benefit Policy Consideration**

Schedule 2

1	Citizens Resources Cash Available at 10/1/09	\$16,602,623	
2	Chilled Water Division Cash Available at 10/1/09	4,471,429	
3	Oil Division Cash Available at 10/1/09	<u>6,516,677</u>	
4	Total Unregulated Cash Available at 10/1/09 (In1 through In3)	\$27,590,729	
<b>Cash Proceeds from Alliances/Affiliates</b>			
<b>Wholly Owned Subsidiaries and Non-Regulated Divisions</b>			
<b>Unregulated Sources FY2010:</b>			
5	Citizens Resources Operating Activities	\$18,089,214	
6	Chilled Water Operating Activities	11,723,595	
7	Oil Operating Activities	<u>3,554,992</u>	
8	Total Unregulated Sources (In5 through In7)	<u>\$33,367,801</u>	
9	Total Available Unregulated Cash (In4 + In8)		\$60,958,530
<b>Unregulated Uses FY2010:</b>			
10	Citizens Resources Investing & Financing Activities	\$1,135,652	
11	Chilled Water Investing & Financing Activities	5,141,767	
12	Oil Investing Activities	<u>4,706,586</u>	
13	Total Unregulated Uses (In10 through In12)		10,984,005
<b>Funding Needs for Discontinued Operations</b>			
14	Projected cash shortfall FY2011	\$297,000	
15	Asset Retirement Obligation	<u>32,751,144</u>	
16	Total Needs for Discontinued Operations In14+1n15)		<u>33,048,144</u>
17	Unregulated Cash Available for Customer Benefit Policy Consideration @ 9/30/10 (In9-In13-In16)		<u>\$16,926,381</u>

**Citizens Gas**  
**2011 Customer Benefit Fund**  
**Reconciliation of Calendar Year 2009**

Schedule 3

1	Undistributed Customer Benefit funds as of 12/31/09	\$762,698
	Less: Total Customer Benefit funds provided in fiscal year	
2	2009 to be refunded to customers during calendar year 2010	<u>797,198</u>
	Variance of calendar year 2009 funds to be included in	
3	the 2011 Customer Benefit Distribution	<u><u>(\$34,500)</u></u>

**Exhibit A**

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**LEGAL NOTICE**

PUBLIC NOTICE is hereby given that on November 29, 2010, the Board of Directors for Utilities (the "Board") of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Gas (the "Utility") intends to file with the Indiana Utility Regulatory Commission ("Commission") a proposed change to the Utility's Customer Benefit Distribution ("CBD"). The Customer Benefit Distribution is used to (1) distribute to the Utility's customers certain funds from the Board's unregulated affiliates or subsidiaries; and (2) provide a means for the Utility potentially to recover through a CBD credit mechanism certain FAS106 and FAS71 costs incurred by the Utility. The proposed CBD will be applicable to the Utility's customers served under Gas Rate Nos. D1, D2, D3, D4, D5, D7 and D9. Approval of the proposed CBD is expected no later than December 31, 2010. The proposed CBD, if approved by the Commission, will become effective January 1, 2011. This notice is provided to the public pursuant to 170 IAC 1-6-6. Contact information, to which an objection should be made, is as follows:

Secretary  
Indiana Utility Regulatory Commission  
National City Center  
101 West Washington Street  
Suite 1500 E  
Indianapolis, Indiana 46204  
Telephone: (317) 232-2701  
Facsimile: (317) 232-6758

Office of Utility Consumer Counselor  
National City Center  
115 W. Washington St.  
Suite 1500 South  
Indianapolis, Indiana 46204  
Telephone: (317) 232-2494  
Toll Free: (888) 441-2494  
Facsimile: (317) 232-5923

Date: November 22, 2010