



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

November 29, 2011

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

RECEIVED
November 29, 2011
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 Commission approval of this Customer Benefit Distribution ("CBD") filing ("Settlement Agreement") 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, 2012. This filing is an allowable request under the Guidelines because it is a filing for which the Commission already has 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 10, 2011 and revised via email November 21, 2011.

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

First 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 agreed to FAS106 and FAS71 costs incurred by Citizens Gas.

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 CBD. The calculation of the CBD, based upon expected calendar year 2012 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 23, 2011 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.



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

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

Sincerely,

/s/ Brenda T. Royal
Brenda T. Royal
Rate & Regulatory Analyst

Enclosures
cc: Office of the Utility Consumer Counselor



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VERIFICATION

I, Brenda T. Royal, Rate & Regulatory Analyst for Citizens Gas; affirm under penalties of perjury that the foregoing representations concerning the legal notice attached as Exhibit A are true and correct to the best of my knowledge, information and belief. The attached legal 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 legal notice was also published on the citizensgas.com website under the link Rates and Regulatory Notices.

/s/ Brenda T. Royal

By: Brenda T. Royal
Regulatory Affairs Analyst
Citizens Gas

Date: November 29, 2011

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: \$ (0.0019) per Therm

Citizens Gas
2012 Customer Benefit Fund
Customer Benefit Distribution Calculation For Distribution During 2012

Schedule 1

1	Cash Available for Customer Benefit Policy Consideration at 9/30/11 (Sch. 2, In 18)	\$11,771,922
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Cash Used for Customer Benefit Policy

Uses FY2012

2	Philanthropy	\$2,336,000
3	Trust Image	1,484,000
4	FAS 106 Recovery - Gas Div. Expense	<u>861,000</u>
5	Total Uses FY2012 (In2 + In3 + In4)	\$4,681,000

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>5,542,000</u>
9	Cash Held for Long-Term Trust Needs (In1-In8)	<u><u>\$6,229,922</u></u>

Customer Benefit Distribution Calculation
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10	Customer Benefit Policy Funds to Customers (In7)	\$861,000
11	Undistributed Customer Benefit Funds at 12/31/10 (Sch. 3, In 3)	<u>28,179</u>
12	Total Funds to Customers (In10+In11)	\$889,179
13	Projected Sales for Calendar Year 2012	<u>46,338,836 Dth</u>
14	Customer Benefit Tracking Factor per Dth (In12/In13)	<u><u>\$0.019 /Dth</u></u>

Citizens Gas
2012 Customer Benefit Fund
Cash Available for Customer Benefit Policy Consideration

Schedule 2

1	Citizens Resources Cash Available at 10/1/10	\$33,559,030	
2	Chilled Water Division Cash Available at 10/1/10	11,053,257	
3	Oil Division Cash Available at 10/1/10	<u>5,365,083</u>	
4	Total Non-regulated Cash Available at 10/1/10 (In1 through In3)	\$49,977,370	
Cash Proceeds from Alliances/Affiliates Wholly Owned Subsidiaries and Non-Regulated Divisions			
Non-regulated Sources FY2011:			
5	Citizens Resources Operating Activities	\$3,630,936	
6	Chilled Water Operating Activities	25,760,737	
7	Oil Operating Activities	<u>4,304,332</u>	
8	Total Non-regulated Sources (In5 through In7)	<u>\$33,696,005</u>	
9	Total Available Non-regulated Cash (In4 + In8)		\$83,673,375
Non-regulated Uses FY2011:			
10	Citizens Resources Investing & Financing Activities	\$1,065,695	
11	Chilled Water Investing & Financing Activities	16,405,890	
12	Oil Investing & Financing Activities	<u>4,711,500</u>	
13	Total Non-regulated Uses (In10 through In12)		\$22,183,085
Funding Needs:			
14	Discontinued Operations Asset Retirement Obligation	\$35,691,703	
15	Chilled Water Capital Program	6,725,665	
16	Chilled Water Short Term Borrowings to be repaid	<u>7,301,000</u>	
17	Total Funding Needs (In 14 through 16)		<u>\$49,718,368</u>
18	Non-regulated Cash Available for Customer Benefit Policy Consideration @ 9/30/11 (In9-In13-In17)		<u><u>\$11,771,922</u></u>

Citizens Gas
2012 Customer Benefit Fund
Reconciliation of Calendar Year 2010

Schedule 3

1	Undistributed Customer Benefit funds as of 12/31/10	\$854,679
	Less: Total Customer Benefit funds provided in fiscal year	
2	2010 to be refunded to customers during calendar year 2011	<u>826,500</u>
	Variance of calendar year 2010 funds to be included in	
3	the 2012 Customer Benefit Distribution	<u><u>\$28,179</u></u>

LEGAL NOTICE

PUBLIC NOTICE is hereby given that on November 29, 2011, 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, 2011. The proposed CBD, if approved by the Commission, will become effective January 1, 2012. 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
PNC Center
101 West Washington Street
Suite 1500 E
Indianapolis, Indiana 46204
Telephone: (317) 232-2701
Facsimile: (317) 232-6758

Office of Utility Consumer Counselor
PNC 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 21, 2011