

Nicor Gas Energy Efficiency Program - Plan Year 3

Quarterly Report: Fourth Quarter

June 2013 - May 2014

| Overall EEP Portfolio | | | | Residential Programs | | | | Business Programs | | | | Other Portfolio Costs | | | |
|--|--------------------------|---------------|------------------|-----------------------------------|--------------------------|---------------|------------------|-----------------------------------|--------------------------|---------------|------------------|-----------------------------------|----------------------------|---------------|------------------|
| Indicator | Cumulative Therms YTD | Goal | PY Pct. Achieved | Indicator | Cumulative Therms YTD | Goal | PY Pct. Achieved | Indicator | Cumulative Therms YTD | Goal | PY Pct. Achieved | Indicator | Cumulative Therms YTD | Goal | PY Pct. Achieved |
| Energy Savings (NetTherms) | | | | Energy Savings (NetTherms) | | | | Energy Savings (NetTherms) | | | | Energy Savings (NetTherms) | | | |
| Total | 27,053,198 | 20,466,080 | 132% | Total | 13,941,546 | 8,955,848 | 156% | Total | 13,111,652 | 11,510,232 | 114% | Total | 13,111,652 | 11,510,232 | 114% |
| Program Costs | | | | Program Costs | | | | Program Costs | | | | Program Costs | | | |
| Indicator | Cumulative Costs YTD | Budget | PY Pct. Achieved | Indicator | Cumulative YTD | Budget | PY Pct. Achieved | Indicator | Cumulative YTD | Budget | PY Pct. Achieved | Indicator | Cumulative Year to Date | Budget | PY Pct. Achieved |
| Total | \$ 68,756,819 | \$ 66,973,000 | 103% | Total | \$ 36,371,747 | \$ 32,963,000 | 110% | Total | \$ 21,968,109 | \$ 21,320,000 | 103% | Total | \$ 10,416,963 | \$ 12,690,000 | 82% |
| <p><i>Note: Cumulative YTD therms and costs are preliminary as of May 31, 2014. Any activity processed after this date will be reflected in the August 2014 Energy Efficiency Annual Report.</i></p> <p><i>Note: Does not include DCEO, or On-Bill Financing</i></p> | | | | | | | | | | | | | | | |

| Nicor Residential Programs | | | | |
|-------------------------------------|------------------------------|----------------------|-----------------------|---|
| Energy Savings (Therm) | | | | |
| Programs | Cumulative Net Therms YTD | Goals | PY 3 Pct. Achieved | Comments |
| Home Energy Efficiency Rebate | 4,892,812 | 3,549,337 | 137.85% | The HEER program had a strong finish to the year as the program continues to experience strong results from increased thermostat and 95%+ furnace rebates. The Energy Saving Kits (ESK) measure had participation which exceeded 100,000. |
| Home Energy Savings | 334,735 | 854,920 | 39.15% | During the plan year, the Energy Impact Illinois funding concluded and there was a significant decrease in assessment participation by customers. The program did, however, have a strong finish to the quarter. Participation in the "Air Sealing and Attic Insulation rebate" offering steadily increased from only 4 in November 2013 to 131 in the closing month. |
| Multi-Family Home Energy Savings | 4,091,946 | 3,034,125 | 134.86% | MCEEP exceeded therm savings expectations due to an increase in production of boiler, furnace and steam trap replacements. The MCEEP-DI, air sealing and insulation of small multi-family buildings, finished the program year strong. |
| Residential New Construction | 205,156 | 86,016 | 238.51% | The program exceeded both the participation and net therm-savings per home expectation. Certified homes totaled 930 and gross therms savings on average was 276 therms, or 23% above expectations. |
| Elementary Energy Education | 341,869 | 277,200 | 123.33% | The program initially was intended to reach approximately 25,500 students and educators during the fall semester. During the plan year, a winter/spring classroom training session was added to reach additional grammar school students - approximately 5,700 additional kits. In total, nearly 31,200 educational kits were distributed in PY3. |
| Behavioral Energy Savings | 4,075,029 | 1,154,250 | 353.05% | Nicor Gas' opt-in program, EnergyBUZZ, ended as of November 30, 2013. This program was replaced during PY3 with an opt-out program that sent individualized energy consumption notifications to more than 340,000 customers. |
| Residential Programs - Total | 13,941,546 | 8,955,848 | 155.67% | |
| Program Costs | | | | |
| Programs | Cumulative Costs YTD | Budget | PY 3 Pct. Achieved | Comments |
| Home Energy Efficiency Rebate | \$ 15,547,909 | 14,320,000 | 108.57% | Overall, program costs are in line with the budget and are trending a little lower due to the number of higher efficiency furnaces (95%-97%) being installed. ESK spending was in line with fulfilling kit requests that exceeded our participation expectations. |
| Home Energy Savings | \$ 2,962,361 | 2,891,000 | 102.47% | Although the costs were not in line with the therms saved, the fourth quarter saw an improvement in \$/therm saved versus the first three quarters. |
| Multi-Family Home Energy Savings | \$ 13,120,314 | 12,301,000 | 106.66% | Incentive spending was exceeded due to surpassing the customer participation goal - boiler, furnace and steam trap replacements coupled with air sealing and insulation efforts. |
| Residential New Construction | \$ 1,353,244 | 1,103,000 | 122.69% | Actual costs are above budget due to 130 more homes certified than expected. |
| Elementary Energy Education | \$ 1,084,391 | 831,000 | 130.49% | Actual costs exceeded budget due to the program's winter/spring expansion - 5,700 additional kits for distribution. |
| Behavioral Energy Savings | \$ 2,303,529 | 1,517,000 | 151.85% | Actual costs exceeded budget due to the adoption of an opt-out program that provided individualized energy consumption notifications to more than 340,000 customers. |
| Residential Programs - Total | \$ 36,371,747 | \$ 32,963,000 | 110.34% | |

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|---|--------------------------|---------------|------------------|-----------------------------------|--------------------------|---------------|------------------|-----------------------------------|--------------------------|---------------|------------------|-----------------------------------|----------------------------|---------------|------------------|
| Indicator | Cumulative Therms YTD | Goal | PY Pct. Achieved | Indicator | Cumulative Therms YTD | Goal | PY Pct. Achieved | Indicator | Cumulative Therms YTD | Goal | PY Pct. Achieved | Indicator | Cumulative Therms YTD | Goal | PY Pct. Achieved |
| Energy Savings (NetTherms) | | | | Energy Savings (NetTherms) | | | | Energy Savings (NetTherms) | | | | Energy Savings (NetTherms) | | | |
| Total | 27,053,198 | 20,466,080 | 132% | Total | 13,941,546 | 8,955,848 | 156% | Total | 13,111,652 | 11,510,232 | 114% | Total | 13,111,652 | 11,510,232 | 114% |
| Program Costs | | | | Program Costs | | | | Program Costs | | | | Program Costs | | | |
| Indicator | Cumulative Costs YTD | Budget | PY Pct. Achieved | Indicator | Cumulative YTD | Budget | PY Pct. Achieved | Indicator | Cumulative YTD | Budget | PY Pct. Achieved | Indicator | Cumulative Year to Date | Budget | PY Pct. Achieved |
| Total | \$ 68,756,819 | \$ 66,973,000 | 103% | Total | \$ 36,371,747 | \$ 32,963,000 | 110% | Total | \$ 21,968,109 | \$ 21,320,000 | 103% | Total | \$ 10,416,963 | \$ 12,690,000 | 82% |
| <small>Note: Cumulative YTD therms and costs are preliminary as of May 31, 2014. Any activity processed after this date will be reflected in the August 2014 Energy Efficiency Annual Report.</small> | | | | | | | | | | | | | | | |
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| Nicor Business Programs | | | | |
|---------------------------------------|------------------------------|----------------------|-----------------------|--|
| Energy Savings (Therm) | | | | |
| Programs | Cumulative Net Therms YTD | Goals | PY 3 Pct. Achieved | Comments |
| Business Energy Efficiency Rebate | 6,284,167 | 3,718,644 | 168.99% | The BEER program exceeded the goal due primarily to customer participation through steam trap replacement. |
| Business Custom Incentive | 2,928,999 | 4,941,250 | 59.28% | Actual therms fell short of goal as a result of customers delaying or cancelling 9 and 12 entire projects each, respectively. In addition, existing customers also decided to not implement measures. |
| Economic Redevelopment | 82,349 | 300,000 | 27.45% | Ten projects were completed during PY 3. Internal customer approval/funding issues continue to be factors in getting projects approved, scheduled, implemented and completed. |
| Retro-Commissioning | 1,050,087 | 1,135,044 | 92.52% | Actual therms fell short of goal as a result of customers delaying 4 projects and existing customers deciding not to implement measures. |
| Small Business Energy Savings | 2,607,932 | 965,294 | 270.17% | Significantly exceeded the therm goal as a result of steam trap replacement in the dry cleaning market: 5,507 steam traps replaced in 438 dry cleaners during PY 2 & 3. |
| Business New Construction | 158,118 | 250,000 | 63.25% | Therm savings fell short of goal because six projects were delayed until PY4 & 5 by our customers. |
| Building Performance with ENERGY STAR | - | 200,000 | 0.00% | Program was phased-out in PY2. |
| Business Programs - Total | 13,111,652 | 11,510,232 | 113.91% | |
| Program Costs | | | | |
| Programs | Cumulative Costs YTD | Budget | PY 3 Pct. Achieved | Comments |
| Business Energy Efficiency Rebate | \$ 5,023,965 | 3,887,000 | 129.25% | High customer participation in replacing steam traps resulted in increased incentives. |
| Business Custom Incentive | \$ 11,412,352 | 10,209,000 | 111.79% | Program costs slightly exceeded budget. These long-term multi-year projects have built a substantial pipeline for PY 4, but have upfront technical assistance costs in PY 3. |
| Economic Redevelopment | \$ 167,629 | 500,000 | 33.53% | Due to lower participation than expected, actual incentive spend was below budget. |
| Retro-Commissioning | \$ 1,267,393 | 2,302,000 | 55.06% | Program costs were below budget and more net therms were saved at a lower cost. 93% of therms were achieved with 55% of budget. |
| Small Business Energy Savings | \$ 3,545,209 | 4,013,000 | 88.34% | Program costs are below budget: 270% of net therms were delivered with 88% of the budget. A well-trained network of 35 trade allies was developed, which reduced outreach, marketing and engineering expenses. |
| Business New Construction | \$ 551,526 | 409,000 | 134.85% | Program costs were above goal. These long-term multi-year projects have built a very substantial pipeline for PY 4 & 5, but have upfront technical assistance costs in PY 3. |
| Building Performance with ENERGY STAR | \$ 35 | - | 0.00% | |
| Business Programs - Total | \$ 21,968,109 | \$ 21,320,000 | 103.04% | |

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| Emerging Technology Program | | | | |
|--|---------------------------|---------------------|--------------------|----------|
| Energy Savings (Therm) | | | | |
| Programs | Cumulative Net Therms YTD | Goals | PY 3 Pct. Achieved | Comments |
| Emerging Technology | - | 100,000 | 0.00% | |
| Emerging Technology Program - Total | - | 100,000 | 0.00% | |
| Program Costs | | | | |
| Programs | Cumulative Costs YTD | Budget | PY 3 Pct. Achieved | Comments |
| Emerging Technology | \$ 1,466,126 | 1,000,000 | 146.61% | |
| Emerging Technology Program - Total | \$ 1,466,126 | \$ 1,000,000 | 146.61% | |

| EEP Portfolio | | | | |
|---------------------------------|----------------------|----------------------|--------------------|----------|
| Program Costs | | | | |
| Programs | Cumulative Costs YTD | Budget | PY 3 Pct. Achieved | Comments |
| Portfolio Technology | \$ 1,873,691 | 400,000 | 468.42% | |
| Portfolio Marketing | \$ 3,093,906 | 3,000,000 | 103.13% | |
| Portfolio Management - External | \$ 1,161,885 | - | 0.00% | |
| Portfolio Management - Internal | \$ 1,496,796 | 7,500,000 | 19.96% | |
| EM&V | \$ 1,324,558 | 790,000 | 167.67% | |
| EEP Portfolio - Total | \$ 8,950,837 | \$ 11,690,000 | 76.57% | |

| Combined Emerging Technology and EEP Portfolio Costs | | | | |
|--|---------------|---------------|--------|--|
| EEP Portfolio Costs Total | \$ 10,416,963 | \$ 12,690,000 | 82.09% | |

| DCEO Program | | | | |
|--|----------------------|----------------------|--------------------|----------|
| Program Costs | | | | |
| Programs | Cumulative Costs YTD | Budget | PY 3 Pct. Achieved | Comments |
| DCEO | \$ 10,141,607 | 17,700,000 | 57.30% | |
| Other Nicor EE Programs - Total | \$ 10,141,607 | \$ 17,700,000 | 57.30% | |