

The Peoples Gas and North Shore Gas Natural Gas Savings Programs

Program Year 3, Quarter 4 Results Phase I Results Overview

July 2014 EE SAG Meeting
Springfield, IL

Paul Isaac — Franklin Energy Services
on behalf of Peoples Gas and North Shore Gas
Tuesday, July 29, 2014



Today's Agenda

1. PY3 Q4, and Overall PY3 Results – ICC Reports
2. Phase I Three-Year (PY1-3) Overall Results – Preliminary
3. PY3 Program Successes and Highlights
4. PY4 Overview and Action Plans
5. Questions and Next Steps

Preliminary PGL Portfolio Results – End of Q4, PY3

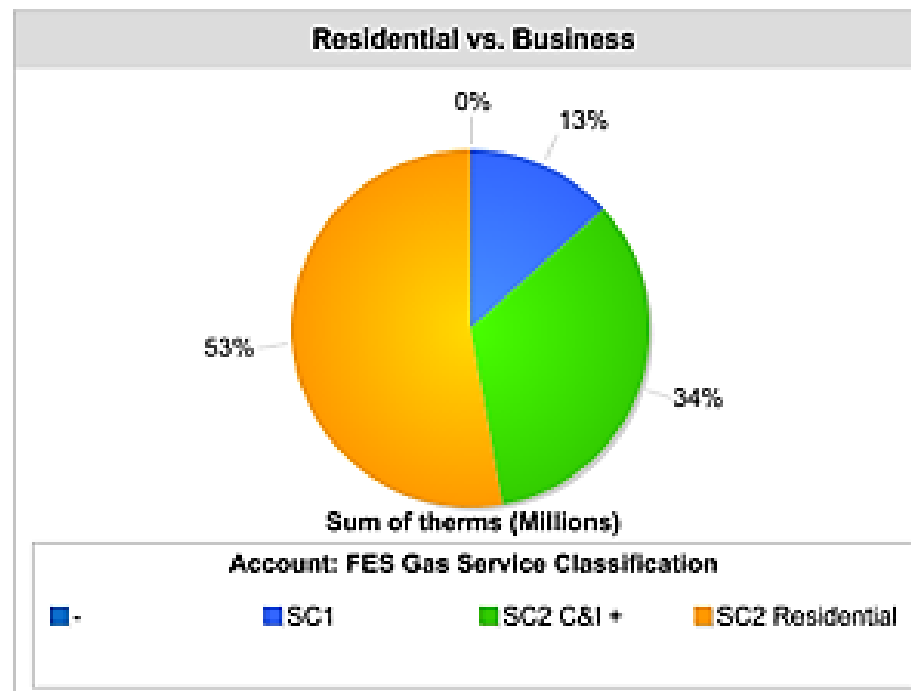
Overall Utility EEP Portfolio			
Energy Savings (Net Therms)			
Indicator	Cumulative Net Therms YTD	Current PY3 Goal*	PY Pct. Achieved
Total	9,075,766	6,692,030	136%
Program Costs			
Indicator	Cumulative Costs YTD	Current Budget	Pct. Invoiced
Total	\$26,244,539	\$36,316,858	72%

PGL Residential Programs	Cumulative Net Therms YTD	Current PY3 Goal	PY3 Pct. Achieved
Residential - Home Energy Rebate	810,487	266,308	304.3%
Residential - Home Energy Reports	-	798,924	0.0%
Multi-Family Home Energy Savings	5,181,967	2,123,120	244.1%
Residential Home Energy Jumpstart	298,644	260,678	114.6%
Residential Programs - Total	6,291,098	3,449,030	182.4%

PGL Business Programs	Cumulative Net Therms YTD	Current PY3 Goal	PY3 Pct. Achieved
Small Business Efficiency	841,589	798,924	105.3%
C&I - Custom Rebates	896,615	2,033,769	44.1%
C&I - Prescriptive Rebates	853,509	216,923	393.5%
C&I - Retro-Commissioning	192,955	193,384	99.8%
Business Programs - Total	2,784,668	3,243,000	85.9%

PGL Portfolio Current Results—PY3 YTD

Realized Therm Savings by Gas Service Type



Preliminary NSG Portfolio Results – End of Q4, PY3

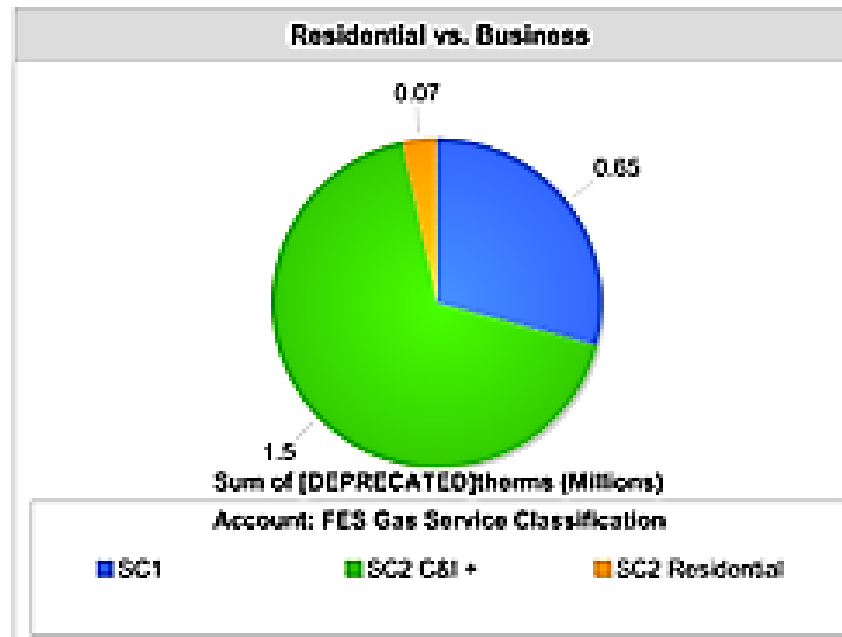
Overall EEP Portfolio			
Energy Savings (Net Therms)			
Indicator	Cumulative Net Therms YTD	Current PY3 Goal*	PY Pct. Achieved
Total	1,828,350	1,955,439	94%
F'casted Total	2,480,894	1,955,439	127%
Program Costs			
Indicator	Cumulative Costs YTD	Current Budget	Pct. Invoiced
Total	\$4,444,575	\$7,391,989	60%

NSG Residential Programs	Cumulative Net Therms YTD	Current PY3 Goal	PY3 Pct. Achieved
Residential - Home Energy Rebate	561,024	244,787	229.2%
Residential - Home Energy Reports	-	489,573	0.0%
Multi-Family Home Energy Savings	91,103	287,806	31.7%
Residential Home Energy Jumpstart	43,521	50,740	85.8%
Residential Programs - Total	695,648	1,072,906	64.8%

NSG Business Programs	Cumulative Net Therms YTD	Current PY3 Goal	PY3 Pct. Achieved
Small Business Efficiency	325,875	115,840	281.3%
C&I - Custom Rebates	691,193	606,398	114.0%
C&I - Prescriptive Rebates	88,609	146,872	60.3%
C&I - Retro-Commissioning	27,025	13,423	201.3%
Business Programs - Total	1,132,702	882,533	128.3%

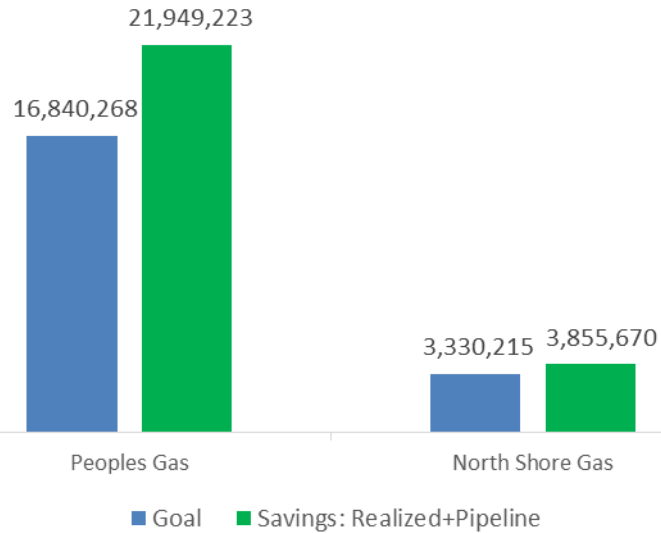
NSG Portfolio Results—PY3 YTD

Realized Therm Savings by Gas Service Type

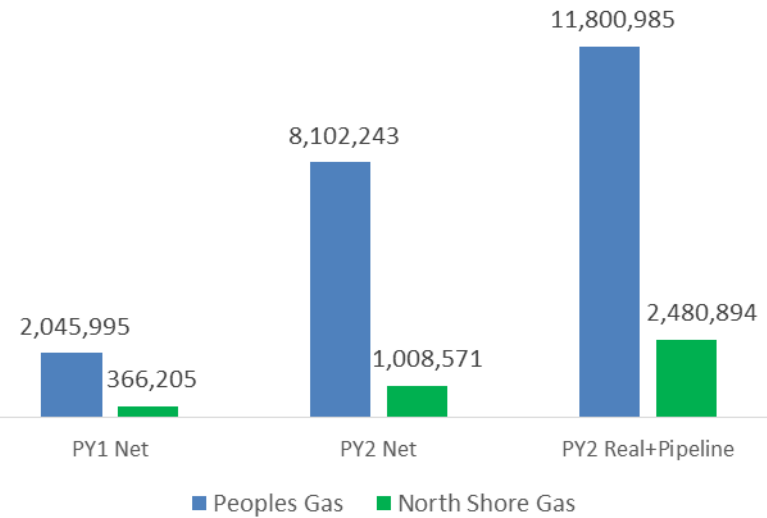


Phase I Portfolio Result – Current Forecast

Therms Goal and Savings PY1-PY3



Therms Savings PY1-PY3



PY1 - 3 Analysis*						
	PY1 - 3 Total Goal	PY1 Verified Net	PY2 Verified Net	PY3 Real & Pipe - Forecasted	Total PY1 - 3 R&P Forecasted	Total PY1 - 3 Forecasted Savings - % Total Goal
Peoples Gas	16,840,268	2,045,995	8,102,243	11,800,985	21,949,223	130%
North Shore Gas	3,330,215	366,205	1,008,571	2,480,894	3,855,670	116%

*data as of 7/6/14, includes realized, pipeline, and lastst estimate of savings from Home Energy Reports (not third party verified yet)

High Level Achievements – June 2011 to May 2014

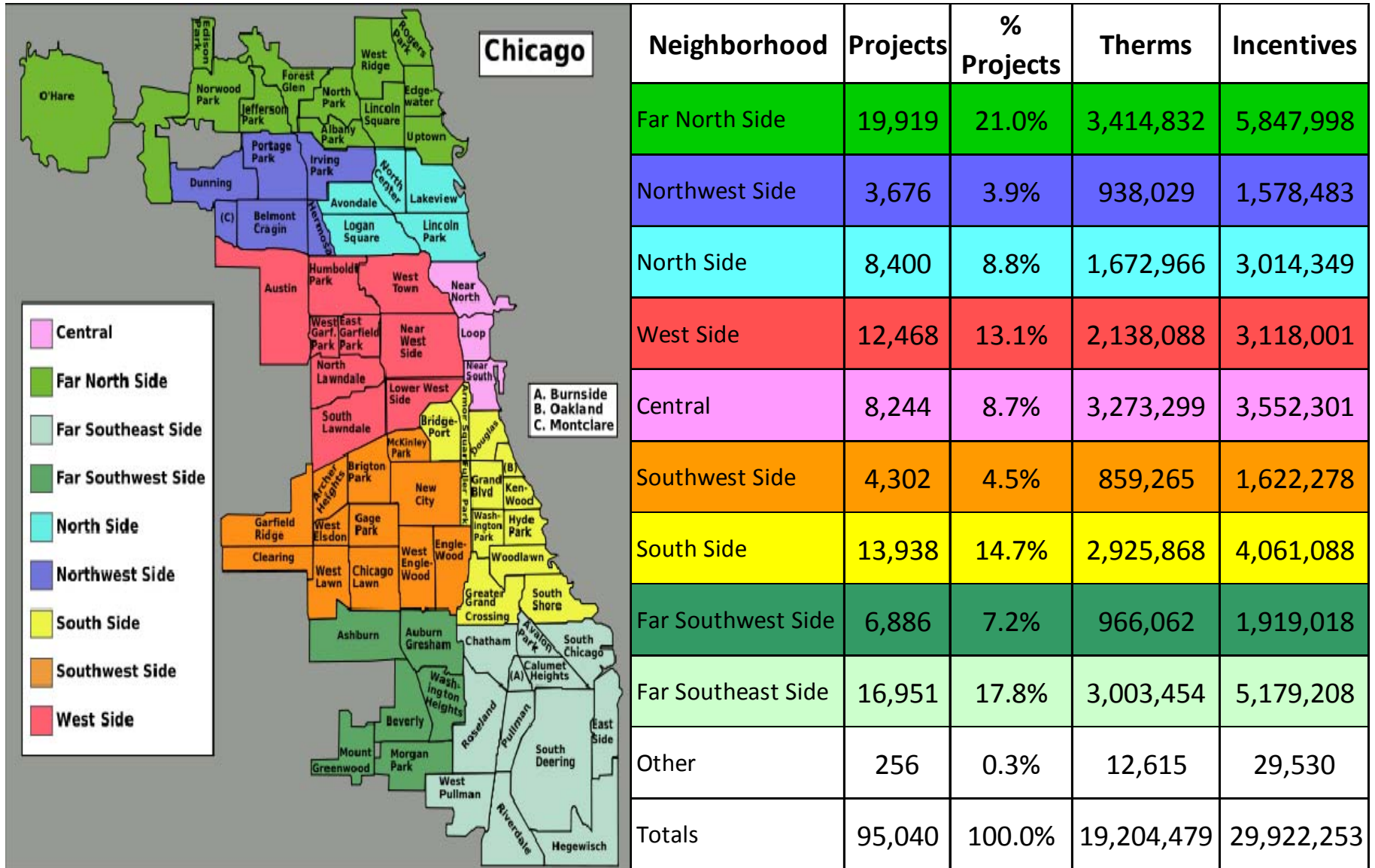
Peoples Gas

- Served 95,040 participants (individual households and businesses)
- 19.2 million therms saved to PY1 to 3 (*projecting 130% of three year goal*)
- Incentives: \$29,922,253
- On-Bill Financing: 123 funded loans / 458 applications (*26.9% funded*)

North Shore Gas

- Served 18,673 participants (individual households and businesses)
- 3.2 million therms saved PY1 to 3 (*projecting 116% of three year goal*)
- Incentives: \$6,245,842
- On-Bill Financing: 93 funded loans / 195 applications (*47.7% funded*)

Peoples Gas Results by Neighborhood



Programs in Action – Residential Customers

Residential Programs Results Program Year 3 Overview

Customer Service

- Total response of 4.94 / 5
- 12% total response rate for survey cards

Savings Results

- PG: 297,886 therms (101% of Residential PY3 goal)
- NSG: 43,520 therms (84% of Residential PY3 goal)



Residential Jumpstart and Home Energy Rebate Programs Program Year 3 Overview

Home Energy Jumpstart

- 7,500 customers
- 46 therms per home

Key Measures

- Aerators ≈ 15,000
- Showerheads ≈ 9,000
- Programmable Thermostats ≈ 2,750
- Pipe Insulation ≈ 34,000 ft.

Home Energy Rebates—Key Measures

- 4,000 furnaces
- 2,800 thermostats
- 1,500 feet insulation
- 1,000 tune-ups

Programs in Action – Business Customers

Commercial and Industrial Program VAPOR BUS INTERNATIONAL

PROJECT DETAILS

Gas Optimization Study (PY3)

- Temperature set points (PY3)
- DDC system upgrade (PY4)
- Paint system replacement (PY4)

REBATE AMOUNT

\$118,500



ANNUAL ENERGY SAVINGS

120,000 net therms



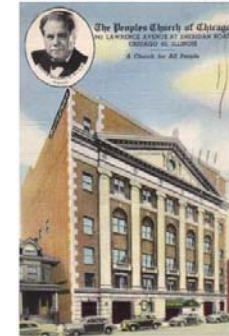
IMPACT

Close to 50% annual savings for the customer; excellent opportunity to use this experience to expand opportunities with other paint-related customers such as Ford.

Small Business Energy Savings Program PEOPLES CHURCH OF CHICAGO

PROJECT DETAILS

- Energy assessment
- Steam trap repairs
- Pipe insulation



REBATE AMOUNT

\$6,500

ANNUAL ENERGY SAVINGS

4,700 net therms



IMPACT

With the savings, the church's limited financial resources can now be dedicated to supporting the homeless shelter and free lunch programs that are housed in the facility.

Programs in Action – Customer Outreach

Residential

- Retrofit Chicago
- Community groups and government entities

Multi-Family

- Chicagoland Apartment Association and other key groups

Business

- Major Account outreach

Small Business

- Chamber of Commerce outreach

Trade Allies

- Program Year Kickoff Summit
- Appreciation events
- Partnership program

Peoples Gas Utility Plans

Residential and Multi-Family Programs

- Adding air sealing as a measure within Programs
- Continue strong Partner Trade Ally focus for savings
- OBF measure promotion and better connection through Residential and Multi-Family Programs
- Focus on serving smaller Multi-Family buildings (e.g., 3 – 20 living unit)
- Enhancements to Home Energy Reports Program to drive additional savings

Business and Small Business Programs

- Engaging new customers
- Diversifying trade ally pool
- New Construction 'Program' development
- Managing limited therm and incentive budgets

North Shore Gas Utility Plans

Residential and Multi-Family Programs

- Adding air sealing as a measure within the programs
- Limited budgets are available, so we may need to consider setting participation limits for offerings
- OBF-eligible measures will continue to be promoted through the Residential and Multi-Family Programs
- Focusing on smaller multi-family buildings and limited direct installation potential in NSG territory
- Enhancements will be made to the Home Energy Reports Program to drive additional savings

Business and Small Business Programs

- Long-term, strategic energy management
- Managing limited therm and incentive budgets
 - 166% to Commercial and Industrial Program goal
 - 90% to Small Business Program goal

Questions and Open Discussion

The Peoples Gas and North Shore Gas Natural Gas Savings Programs

North/O'Hare Office:

5450 N. Cumberland Ave., Ste. 125
Chicago, IL 60656

Downtown/Goose Island Office:

1010 N. Hooker St., Ste. 302
Chicago, IL 60642

855-849-8928

peoplesgasrebates.com

northshoregasrebates.com

