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ILLINOIS COMMERCE COMMISSION

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CHIEF CLERK'S OFFICE

ORIGINAL

July 13, 2012

Ms. Elizabeth A. Rolando
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

Report
10-0562

Dear Ms. Rolando:

Northern Illinois Gas Company d/b/a Nicor Gas Company (the "Company") respectfully submits to the Commission the attached fourth quarter quarterly report, as required under Section C of the Company's Rider 30 – Energy Efficiency Plan Cost Recovery ("EEP"), Ill. C.C. No. 16-Gas, 1st Revised Sheet No. 83.4, and in compliance with the Commission's Order in Docket No. 10-0562 and subsection (f)(8) of 220 ILCS 5 Section 8-104 (220 ILCS 5/8-104) of the Public Utilities Act.

EEP program costs for the portfolio of measures, as reported, are operational expenses for the quarterly period ending May 31, 2012, and exclude any expenses for program start-up and On Bill Financing.

A copy of this filing is included for delivery to Ms. Mary Selvaggio, Manager of Accounting of the Commission's office in Springfield. One additional copy of the filing is also enclosed for your convenience in acknowledging receipt thereof. If you have any questions concerning this filing please contact me. Thank you for your assistance.

Sincerely,

Bob O. Buckles
Manager, Rates

Enclosures

cc: Ms. Mary Selvaggio

Nicor Gas Energy Efficiency Program - Plan Year 1

Quarterly Report: Fourth Quarter

June 2011 - May 2012

Overall EEP Portfolio				Residential Programs				Business Programs				Other Portfolio Costs			
Indicator	Cumulative YTD	Planned Goals as Filed	PY Pct. Achieved	Indicator	Cumulative YTD	Planned Goals as Filed	PY Pct. Achieved	Indicator	Cumulative YTD	Planned Goals as Filed	PY Pct. Achieved	Indicator	Cumulative Year to Date	Planned Goals as Filed	Pct. Achieved
Energy Savings (NetTherms)				Energy Savings (NetTherms)				Energy Savings (NetTherms)							
Actual	5,665,730	6,836,159	83%	Actual	2,671,977	3,642,608	73%	Actual	2,993,753	3,193,551	94%	Actual	-	-	-
Total	5,665,730	6,836,159	83%	Total	2,671,977	3,642,608	73%	Total	2,993,753	3,193,551	94%	Total			
Program Costs				Program Costs				Program Costs				Program Costs			
Actual	\$ 15,764,635	\$ 22,022,237	72%	Actual	\$ 7,907,397	\$ 11,061,081	71%	Actual	\$ 4,096,024	\$ 5,839,093	70%	Actual	\$ 3,761,214	\$ 5,122,063	73%
Total	\$ 15,764,635	\$ 22,022,237	72%	Total	\$ 7,907,397	\$ 11,061,081	71%	Total	\$ 4,096,024	\$ 5,839,093	70%	Total	\$ 3,761,214	\$ 5,122,063	73%

Note: Does not include DCEO, Start-up Expenses or On-Bill Financing

Nicor Residential Programs				
Energy Savings (Therm)				
Programs	Cumulative Net Therms YTD	Plan Goal as Filed	PY 1 Pct. Achieved	Comments
Home Energy Efficiency Rebate	1,213,672	1,459,670	83.15%	Significant increase in rebate fulfillment during this quarter. A total of 9,730 furnaces, 73 boilers and 524 water heaters were rebated in PY1. Furnace measures include 645 air conditioner/complete system replacements for Nicor and ComEd rebates, with over 495 in the queue for payment in and claimed savings in PY2.
Home Energy Savings	111,334	220,725	50.44%	While PY1 results were less than expected, the fourth quarter finished strong with over 400 audits completed, and almost 200 completed in May alone. Other performance metrics for program; i.e., conversion rates of direct installation measures and weatherization projects per audit, savings per audit and customer satisfaction, all exceeded program targets. Other highlights for PY1 include an agreement with Illinois Home Performance to provide IHP certificates program participants from PY1 and future years, as well as an agreement with Energy Impact Illinois to provide supplemental rebates and marketing to support the program in PY2.
Multi-Family Home Energy Savings	969,107	1,415,925	68.44%	Had a consistent increase in savings over the last 3 months of the program year. Program currently has visibility into more than 27,437 units that could potentially schedule for the first quarter of PY2. Issues include thermostats not being installed until September which impacted results. Marketing materials were revamped and a sales tool implemented. The sales pipeline will be better managed, a new sales compensation has been implemented and more focused outreach will occur.
New Construction	-	22,938	0.00%	The program has been successfully launched with 10 energy rating companies signed on and 6 of the larger builders in Illinois also committing to the program. There are 34 homes enrolled in the program and we should begin to see completions start to trickle in in July. The program implementation contractor, Residential Science Resource (RSR) will continue to recruit builders and raters into the program throughout the contract period. Illinois adoption of the 2012 International Energy Conservation Code (IECC) has been delayed until early 2013.
Elementary Energy Education	377,865	138,600	272.63%	Full program results were reported in Q3, but several additional presentations held in February provided an additional 110 participants (105 students + 5 teachers) and 4,730 net therms, for a final of 9,972 participants and 377,865 net therms. Final gross savings were calculated at approx. 38 therms/kit, whereas 14 therms/kit were indicated in the filing. In performing a preliminary evaluation of the savings using Nicor's deemed savings and actual reported install rates for each device, as well as using the realization rates calculated by the evaluator in Rider 29, it is anticipated that the final therm savings will be closer to the ICC filing amount. Spring promotions for PY2 have already netted the following enrollments: Nicor-Only 90.3% (11 Schools/903 Participants) and Nicor/ComEd 75.54% (123 schools/10,575 Participants).
Behavioral Energy Savings	-	384,750	0.00%	"Take the Pledge." was launched on April 28th at the Chicago Fire Title Night. Program Staff is modifying branding strategy and functionality of the MyEnergy Platform.
Residential Programs - Total	2,671,977	3,642,608	73.35%	
Program Costs				
Programs	Cumulative Costs YTD	Plan Goal as Filed	PY 1 Pct. Achieved	Comments
Home Energy Efficiency Rebate	\$ 4,824,694	\$ 4,594,878	105.00%	
Home Energy Savings	\$ 1,198,067	\$ 1,638,717	73.11%	
Multi-Family Home Energy Savings	\$ 980,933	\$ 3,469,695	28.27%	
New Construction	\$ 211,592	\$ 401,925	52.64%	
Elementary Energy Education	\$ 476,300	\$ 648,748	73.42%	
Behavioral Energy Savings	\$ 215,810	\$ 307,118	70.27%	
Residential Programs - Total	\$ 7,907,397	\$ 11,061,081	71.49%	

Nicor Gas Energy Efficiency Program - Plan Year 1

Quarterly Report: Fourth Quarter

June 2011 - May 2012

Overall EEP Portfolio				Residential Programs				Business Programs				Other Portfolio Costs			
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Note: Does not include DCEO, Start-up Expenses or On-Bill Financing

Nicor Business Programs				
Energy Savings (Therm)				
Programs	Cumulative Net Therms YTD	Plan Goal as Filed	PY 1 Pct. Achieved	Comments
Business Energy Efficiency Rebate	1,391,566	991,607	140.33%	This program exceeded goal at \$1.17 per therm (\$0.33 per therm less than indicated in the plan). A total of 237 businesses implemented 1,621 different measures – furnaces, tune-ups, steam traps, etc. The majority of measure units and savings are attributed to the 886 steam traps fulfilled through the second half of the program year.
Business Custom Incentive	1,297,904	1,122,250	115.65%	Exceeded the net therm goal with 1.3 million net therm savings. Seven of the twenty-eight projects paid were over 100,000 therm savings. Twenty-four unique customers participated in the program from the food & beverage, retail, transportation, manufacturing, healthcare, and hospitality industries.
Economic Redevelopment	714	120,000	0.60%	ECW has continued to see strong interest in the program. As of the end of PY1, a total of 29 applications were accepted or pending review, with approximately 40 additional projects actively under discussion or preparing to submit an application. Marketing efforts focus on general awareness and building one-on-one relationships with trade allies and building owners.
Retro-Commissioning	144,276	581,364	24.82%	Growth of RCx projects has continued to be slow, with final savings in the range of 25-30% of goal. To generate additional savings, Nexant has re-directed the service providers to consider smaller facilities down to the minimum of 150,000 square feet (past projects have been considerably larger). Additionally, a monitoring-based commissioning track will be launched in early PY2. Efforts for this track are already underway with service providers to be selected in June. Industrial Retro Commissioning track remains under development.
Small Business Energy Savings	97,850	169,329	57.79%	Q4 ended strong with a large amount of thermostat installations. New measures and increased incentives are approved for PY2 to help attain goals. Additional trade allies and HVAC/Electrical trade allies are being recruited into the program for PY2.
New Construction	61,442	189,000	32.51%	The program has a strong start to the PY2 goals. There were 11 applications in PY1 while the pipeline is reflecting 58 applications scheduled to close in PY2 at this point.
Building Performance with ENERGY STAR	-	20,000	0.00%	BPWES is a two-year strategic energy management pilot program. The program offers customers in the hospitality and assisted living markets a year or more of benchmarking to help them set and track energy performance improvement targets. Two projects will be identified to benchmark with Energy Star Portfolio Manager. Leveraging existing relationships within the hospitality community, Ecova is currently in discussions with five clients. Ecova has various levels of commitment on 11 projects. Therm savings are not anticipated until PY2.
Business Programs - Total	2,993,753	3,193,551	93.74%	
Program Costs				
Programs	Cumulative Costs YTD	Plan Goal as Filed	PY 1 Pct. Achieved	Comments
Business Energy Efficiency Rebate	\$ 887,421	\$ 1,164,835	76.18%	
Business Custom Incentive	\$ 2,117,673	\$ 2,007,838	105.47%	
Economic Redevelopment	\$ 52,109	\$ 382,146	13.64%	
Retro-Commissioning	\$ 328,944	\$ 1,224,250	26.87%	
Small Business Energy Savings	\$ 579,122	\$ 637,142	90.89%	
New Construction	\$ 115,755	\$ 391,238	29.59%	
Building Performance with ENERGY STAR	\$ 15,000	\$ 31,644	47.40%	
Business Programs - Total	\$ 4,096,024	\$ 5,839,093	70.16%	

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Emerging Technology Program				
Energy Savings (Therm)				
Programs	Cumulative Net Therms YTD	Plan Goal as Filed	PY 1 Pct. Achieved	Comments
Emerging Technology	-	-	-	
Emerging Technology Program - Total				
Program Costs				
Programs	Cumulative Costs YTD	Plan Goal as Filed	PY 1 Pct. Achieved	Comments
Emerging Technology	\$ 310,583	\$ 870,000	35.70%	
Emerging Technology Program - Total	\$ 310,583	\$ 870,000	35.70%	

EEP Portfolio				
Program Costs				
Programs	Cumulative Costs YTD	Plan Goal as Filed	PY 1 Pct. Achieved	Comments
Portfolio Technology	\$ 22,771	\$ 250,000	9.11%	
Portfolio Marketing	\$ 878,373	\$ 846,180	103.80%	
Portfolio Management - External	\$ 1,463,811	\$ 1,250,000	117.10%	
Portfolio Management - Internal	\$ 830,868	\$ 1,250,000	66.47%	
EM&V	\$ 254,807	\$ 655,883	38.85%	
EEP Portfolio - Total	\$ 3,450,631	\$ 4,252,063	81.15%	

Combined Emerging Technology and EEP Portfolio Costs			
EEP Portfolio Costs Total	\$ 3,761,214	\$ 5,122,063	73.43%

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DCEO Program				
Program Costs				
Programs	Cumulative Costs YTD	Plan Goal as Filed	PY 1 Pct. Achieved	Comments
DCEO	\$ 4,847,996	\$ 7,340,746	66.04%	
Other Nicor EE Programs - Total	\$ 4,847,996	\$ 7,340,746	66.04%	