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An AGL Resources Company

1844 Ferry Road
Naperville, IL 60563

630.983.8676 phone
www.nicorgas.com

ILLINOIS COMMERCE COMMISSION

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ILLINOIS COMMERCE COMMISSION
CHIEF CLERK'S OFFICE

October 15, 2012

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

10-0562
Report

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CHIEF CLERK'S OFFICE
Illinois Commerce Commission

Dear Ms. Rolando:

Northern Illinois Gas Company d/b/a Nicor Gas Company (the "Company") respectfully submits to the Commission the attached first quarter quarterly report for the June 2012 through May 2013 annual plan period, 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 August 31, 2012, and exclude expenses for DCEO and On-Bill Financing costs.

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

*Retel
10-16-12
OB
copy sent to
Mary Selvaggio*

Nicor Gas Energy Efficiency Program - Plan Year 2

Quarterly Report: First Quarter

June 2012-August 2012

Energy Savings (Net Therms)				Energy Savings (Net Therms)				Energy Savings (Net Therms)				Energy Savings (Net Therms)			
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
Program Costs				Program Costs				Program Costs				Program Costs			
Indicator	Cumulative Costs YTD	Budget	PY Pct. Incurred	Indicator	Cumulative Costs YTD	Budget	PY Pct. Incurred	Indicator	Cumulative Costs YTD	Budget	PY Pct. Incurred	Indicator	Cumulative Costs YTD	Budget	PY Pct. Incurred

Nicor Residential Programs

Programs	Cumulative Net Therms YTD	Goals	PY 2 Pct. Achieved	Comments
Home Energy Efficiency Rebate	345,122	2,295,590		Program year off to a productive start with 184 programmable thermostats, 13 boilers, 347 water heaters and 3,015 furnace measure rebates paid in Q1. Additionally, there were 736 Complete System Retrofits done by Nicor and ComEd.
Home Energy Savings	33,840	545,466		Leveraging Energy Impact Illinois (EI2) funds to increase rebate offering, and experimental customer acquisition channel using "house parties". Early response looking favorable, but still struggling to reach acquisition goals.
Multi-Family Home Energy Savings	156,874	2,225,025		Looking at ways to increase participation in program as well as additional offerings to increase program savings. Target marketing approach is helping acquire building owners.
New Construction	4,572	45,875		The Residential New Homes Program recently launched at the end of May and completed it's first certification on July 28, 2012. The program estimated saving at 300 therms per home. As of September 30, 2012, the program has 72 completions averaging 325 therms.
Elementary Energy Education	-	207,900		No therms savings to report at this time. Classroom presentations targeted to take place in October in about 85 schools (13 Nicor Gas only, 72 Joint ComEd/Nicor Gas schools).
Behavioral Energy Savings	260	769,500		As planned, the Behavioral Energy Savings Pilot did not begin until August 2012. Savings will not occur until later in the program year.
Programs				
	Cumulative Costs YTD	Budget	PY 2 Pct. Incurred	Comments
Home Energy Efficiency Rebate	\$ 1,890,360	\$ 9,773,329		Costs align with increased marketing for Summer Staycation and additional participants resulting from this promotion. Implementer Contract labor is contracted for at fixed monthly rate.
Home Energy Savings	\$ 379,770	\$ 2,367,522		The program is under budget at approximately 25% for the first quarter.
Multi-Family Home Energy Savings	\$ 203,974	\$ 3,301,571		Program costs are in line with savings generated.
New Construction	\$ 86,898	\$ 754,011		The program is running slightly below budget of approximately 18% for the first quarter.
Elementary Energy Education	\$ 107,888	\$ 594,980		The program is now 100% enrolled at 15,000 participants. Program is set to launch on October 15th with first week of school presentations.
Behavioral Energy Savings	\$ 155,133	\$ 773,524		Program costs are running slightly higher than originally estimated. This difference is due to a change in program marketing efforts. More marketing is being planned upfront than originally expected.

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Illinois Commerce Commission

Nicor Gas Energy Efficiency Program - Plan Year 2

Quarterly Report: First Quarter

June 2012-August 2012

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Nicor Business Programs

Programs	Cumulative Net Therms YTD	Goals	PY 2 Pct. Achieved	Comments
Business Energy Efficiency Rebate	417,687	2,026,860		Good spread of business measures with steam traps leading the way. Starting to see traction in food services opportunities with input from Food Service Trade Ally Focus group. Q1: 39 boiler tune-ups, 1 boiler reset control, 194 commercial steam traps, 149 industrial steam traps, 27 furnaces, 9 indoor pipe insulation projects, 4 fryers, 3 pasta cookers, 5 convection ovens, 1 salamander broiler and 2 storage water heaters. Hospitality and chemical industry outreach and looking for food service opportunities through online spray valve program, which will be launched in Q2.
Business Custom Incentive	197,011	3,417,000		There are currently 75 custom projects in the pipeline. Focusing on verticals through Chemical Manufacturers, Hospitality, Healthcare, etc. to promote full facility audits and other targeted marketing to generate additional projects. Leveraging SEDAC audits that may have never been implemented.
Economic Redevelopment		240,000		It was anticipated that there would be little activity at the beginning of PY2. There were also delays within projects that resulted in not meeting the forecasted goal to this point. The current pipeline includes 37 projects, with 13 in the verification stage, 20 in the technical assistance stage and 4 in the application received stage. These projects represent 95% of the PY2 goal.
Retro-Commissioning	8,946	1,024,308		Completion of projects in PY2 is weighted towards the end of the program year. Currently the pipeline of projects is sufficient to meet 75% of the contract goal for Retro-Commissioning (RCX) and Monitoring Based Commissioning (MBCX) in PY2. The MBCX program launched in June and has seen interest from customers, but so far no applications have been submitted. Planning for the Industrial RCX - process heat offer continues, with an RFP for service providers planned in October and a launch date of early to mid-December. The majority of industrial projects are anticipated to be in the pipeline by the end of PY2, with completion of all projects occurring in PY3.
Small Business Energy Savings	92,918	616,753		Program off to a slow start. Trade ally participation is being reviewed. Most of the therms have been brought in by two trade allies. Increased marketing activities should help bring in more therms. About 15% of the yearly goal has been obtained.
New Construction	14,118	198,450		Projects are weighted more heavily towards the end of PY2. The current pipeline of projects for PY2 indicates achievement of 89% of the goal for PY2 at this point.
Building Performance with ENERGY STAR		100,000		The program has had opportunities, but ownership changes within these projects have changed and the projects have been placed on hold.
Programs				
	Cumulative Costs YTD	Budget	PY 2 Pct. Incurred	Comments
Business Energy Efficiency Rebate	\$ 435,388	\$ 2,601,764		Running below the projected incentive budget, additional marketing activities to improve participation in Q2. IC labor is contracted for a fixed monthly rate.
Business Custom Incentive	\$ 677,916	\$ 6,594,599		Tracking below projected incentive budget at 68% of goal. Targeted campaigns for chemical industry with associated collateral developed in Q1/PY2.
Economic Redevelopment	\$ 157,431	\$ 827,858		Program costs are close to expectations for the 1st quarter of PY2 with project delays contributing to being under budget.
Retro-Commissioning	\$ (5,947)	\$ 2,031,548		The RCX program has had minimal invoicing in the first quarter of PY2 due to needing to transition from the PY1 billing structure (cost per verified therm) to the PY2 billing structure (project milestone based). To complete this transition, a true-up of costs for projects in progress will occur in September or October, which will put the program closer to the forecast budget expenditure.
Small Business Energy Savings	\$ 178,544	\$ 1,439,579		Program costs are low due to the low number of direct install and capital improvement projects.
New Construction	\$ 26,009	\$ 445,307		Costs for PY2 are trending slower than the projected even monthly distribution. Due to the lower than expected project completions, the costs have lagged behind. As more projects near completion the costs will begin to fall more in line with projections.
Building Performance with ENERGY STAR	\$ -	\$ 164,457		As the contractor is on a pay-for-performance pay structure, the program has not had any costs.

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June 2012-August 2012

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Emerging Technology Program

Programs	Cumulative Net Therms YTD	Goals	PY 2 Pct. Achieved	Comments
Emerging Technology				
Programs	Cumulative Costs YTD	Budget	PY 2 Pct. Incurred	Comments
Emerging Technology	\$ 246,592	\$ 1,332,000		Have received 28 submissions, 7 have been eliminated and 7 approved for testing (3 residential, 2 commercial and 2 industrial). Reviewing remaining 14 submissions and anticipating 3 more. Currently testing a condensing heating rooftop unit. Two sites have been selected for ozone laundries and 2 more will be selected.

EEP Portfolio

Programs	Cumulative Costs YTD	Budget	PY 2 Pct. Incurred	Comments
Portfolio Technology	\$ 288,694	\$ 1,000,000		
Portfolio Marketing	\$ 268,711	\$ 1,895,750		
Portfolio Management - External	\$ 496,068	\$ 2,297,135		
Portfolio Management - Internal	\$ 372,958	\$ 3,068,000		
EM&V	\$ 356,271	\$ 1,121,023		

Combined Emerging Technology and EEP Portfolio Costs

DCEO Program

Programs	Cumulative Costs YTD	Budget	PY 2 Pct. Incurred	Comments
DCEO	\$ (870,806)	\$ 12,544,330	-6.9%	Represents reversal of over-accrual of previously anticipated payments and grants.

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