



Date: January 16, 2017

Quarterly Report of the Peoples Gas Light and Coke Company and the North Shore Gas Company

Program Year 6, 2nd Quarter Qualitative Report, September 2016 - November 2016

Pursuant to the Illinois Commerce Commission (“Commission”) final order in Docket No. 13-0550, attached is the Program Year 6 (PY6), Second Quarter (2Q) qualitative report accompanying the PY6, 2Q quantitative report which details program results from a savings and cost perspective.

By utility and each of the five programs in the portfolio, the following is summarized:

- a. Program activities
- b. Implementation modifications
- c. Additions or discontinuations of specific measures or services
- d. Changes due to EM&V Input, TRM changes, NTG changes, or market research findings, and
- e. TRC screening results for new measures added.

The Peoples Gas Light and Coke Company (PGL) program highlights begin on Page 2; North Shore Gas Company (NSG) program highlights begin on Page 6.

Peoples Gas

Portfolio Performance Overview

- At the end of the first quarter, the Peoples Gas Natural Gas Savings Programs have achieved 28% realized savings, utilizing 36% of the budget. All programs are proceeding as forecast, with the majority of Program savings coming during the heating season.

1. Residential Programs

a. Program Activities

- The PGL Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 36.1% of the savings goal through Q2 using 44.9% of the budget.
- The Home Energy Rebate Program accounted for over one-third of Residential Program savings realized through Q2.

b. Implementation Modifications

- None in Q2

c. Addition or Discontinuation of Specific Measures or Services

- Start up of Residential Low Income program. Design completed and contracting in progress. Production targeted for February 2017.

d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings

- None in Q2

e. For New Measures Added, TRC Screening Results

- None in Q2

2. Multi-Family Programs

a. Program Activities

- The PGL Multi-Family Program (Multi-Family Jumpstart, Prescriptive, Partner Trade Ally, Custom and Gas Optimization Programs) delivered strong results through Q2, realizing 48.6% of the savings goal and utilizing 44.0% of the budget while building a pipeline of 77.8%.
- 63.9% of realized savings has been generated through our Partner Trade Ally Program.

- Steam traps and steam pipe insulation are the top performing measures for Multi-Family customers.
- b. Implementation Modifications
 - None in Q2
 - c. Addition or Discontinuation of Specific Measures or Services
 - Start up of Multi-Family Low Income program. Design and contracting completed. Production targeted for January 2017.
 - d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q2
 - e. For New Measures Added, TRC Screening Results
 - None in Q2

3. Residential Outreach and Education Programs

- a. Program Activities
 - Home Energy Reports were sent to customers in October. Savings will not be realized until the end of the program year as the majority of meter reads will be completed from December through May to align with the heating season.
 - The Elementary Education Program is working towards an increased goal of 14,000 kits and is at 62% of that goal. Expecting enrollment to be complete by early March 2017. Savings are not realized until the end of program year.
- b. Implementation Modifications
 - Home Energy Report distribution decreased from four reports to one per household in PY6.
 - Increased kit volume for Elementary Education program to accommodate 14,000 kits.
- c. Additions or Discontinuation of Specific Measures or Services
 - None in Q2
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q2

- e. For new measures added, TRC screening results
 - None in Q2

4. Business Programs

- a. Program Activities
 - The PGL Business Programs (Jumpstart, Engineering Studies, Prescriptive, Custom, Gas Optimization, and Smart Check) achieved 27.4% realized savings through Q2 using 26.9% of the budget.
- b. Implementation Modifications
 - None during Q2
- c. Additions or Discontinuation of Specific Measures or Services
 - None during Q2
- d. Changes Due to EM&V Input, IL TRM changes, NTG Changes, or Market Research Findings
 - None during Q2
- e. For New Measures Added, TRC Screening Results
 - None during Q2

5. Small Business Programs

- a. Program Activities
 - The PGL Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 36.4% realized savings in Q2 using 45.7% of the budget.
- b. Implementation Modifications
 - None during Q2
- c. Additions or Discontinuation of Specific Measures or Services
 - None during Q2
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings
 - None during Q2

- e. For new measures added, TRC screening results
- None during Q2

North Shore Gas

Portfolio Overview

- At the end of the first quarter, the North Shore Gas Natural Gas Savings Programs have achieved 26% realized savings, utilizing 47% of the budget. All programs are performing as forecast and we expect savings to increase as we enter the heating season.

1. Residential Programs

a. Program Activities

- The NSG Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 146% of the Q2 savings goal using 102.4% of the budget with the Home Energy Rebate program contributing more than 80% of total Residential Program savings.
- A substantial increase in weatherization performance, namely air sealing and duct sealing, contributed to the high therm savings.

b. Implementation Modifications

- None in Q2

c. Addition or Discontinuation of Specific Measures or Services

- None in Q2

d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings

- None in Q2

e. For New Measures Added, TRC Screening Results

- None in Q2

2. Multi-Family Programs

a. Program Activities

- The NSG Multi-Family Program (Multi-Family Jumpstart, Prescriptive, Partner Trade Ally, Custom and Gas Optimization Programs) achieved 6.4% of the savings goal through Q2 and utilized 29.5% of the budget.
- The majority of the realized savings (77.8%) achieved in this path were delivered through the Jumpstart (DI) program.

- b. Implementation Modifications
 - None in Q2
- c. Addition or Discontinuation of Specific Measures or Services
 - None in Q2
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research findings
 - None in Q2
- e. For New Measures Added, TRC Screening Results
 - None in Q2

3. Residential Outreach and Education Programs

- a. Program Activities
 - The Home Energy Reports were sent to customers in October. Savings will not be realized until the end of the program year as the majority of meter reads will be completed from December through May to align with the heating season.
 - The Elementary Education Program is 69% to goal. Working towards increased goal of 3,000 kits. Expecting enrollment to be complete by early March 2017.
- f. Implementation Modifications
 - Home Energy Report distribution decreased from four reports to one per household in PY6.
 - Increased kit volume for Elementary Education program to accommodate 3,000 kits.
- b. Additions or Discontinuation of Specific Measures or Services
 - None in Q2
- c. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q2
- d. For New Measures Added, TRC Screening Results
 - None in Q2

4. Business Programs

a. Program Activities

- The NSG Business Programs (Jumpstart, Engineering Studies, Prescriptive, Custom, Gas Optimization, and Smart Check) achieved 17.8% realized savings through Q2 using 30.2% of the budget.

b. Implementation Modifications

- None during Q2

c. Additions or Discontinuation of Specific Measures or Services

- None during Q2

d. Changes Due to EM&V Input, IL TRM changes, NTG Changes, or Market Research Findings

- None during Q2

e. For New Measures Added, TRC Screening Results

- None during Q2

5. Small Business Program

a. Program Activities

- The NSG Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 94.6% realized savings in Q2 using 55.7% of the budget.

b. Implementation Modifications

- None during Q2

c. Additions or Discontinuation of Specific Measures or Services

- None during Q2

d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings

- None during Q2

e. For new measures added, TRC screening results

- None during Q2