



Date: April 14, 2017

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

Program Year 6, 3rd Quarter Qualitative Report, December 2016 - February 2017

Pursuant to the Illinois Commerce Commission (“Commission”) final order in Docket No. 13-0550, attached is the Program Year 6 (PY6), Third Quarter (3Q) qualitative report accompanying the PY6, Q3 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 third quarter, the Peoples Gas Natural Gas Savings Programs have achieved 46% realized savings, utilizing 56% of the budget. All programs are proceeding as forecast, with the majority of Program savings coming later in the program year.

1. Residential Programs

a. Program Activities

- The PGL Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 67% of the savings goal through Q3 using 52% of the budget.
- The Home Energy Rebate Program accounted for over two-thirds of Residential Program savings realized through Q3.

b. Implementation Modifications

- None in Q3

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 April 2017.

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

- None in Q3

e. For New Measures Added, TRC Screening Results

- None in Q3

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 Q3, realizing 71% of the savings goal and utilizing 70% of the budget while building a strong pipeline for the remainder of the program year.
- 73% 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 Q3
- c. Addition or Discontinuation of Specific Measures or Services
 - Official launch of the Multi-Family Low Income program in January, 2017.
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q3
- e. For New Measures Added, TRC Screening Results
 - None in Q3

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 has enrolled and delivered 13,417 kits. 10% of student surveys have been received.
- b. Implementation Modifications
 - None in Q3
- c. Additions or Discontinuation of Specific Measures or Services
 - None in Q3
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q3
- e. For new measures added, TRC screening results
 - None in Q3

4. Business Programs

a. Program Activities

- The PGL Business Programs (Jumpstart, Engineering Studies, Prescriptive, Custom, Gas Optimization, and Smart Check) achieved 45% realized savings through Q3 using 47% of the budget.

b. Implementation Modifications

- None during Q3

c. Additions or Discontinuation of Specific Measures or Services

- None during Q3

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

- There was a TRM Errata on Kitchen DCV measures during Q3. This change has minimal impact to overall program savings.

e. For New Measures Added, TRC Screening Results

- None during Q3

5. Small Business Programs

a. Program Activities

- The PGL Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 59% realized savings in Q3 using 73% of the budget.

b. Implementation Modifications

- None during Q3

c. Additions or Discontinuation of Specific Measures or Services

- None during Q3

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

- None during Q3

e. For new measures added, TRC screening results

- None during Q3

North Shore Gas

Portfolio Overview

- At the end of the third quarter, the North Shore Gas Natural Gas Savings Programs have achieved 40% realized savings, utilizing 70% of the budget. All programs are proceeding as forecast, with the majority of Program savings coming later in the program year.

1. Residential Programs

a. Program Activities

- The NSG Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 230% of the Q3 savings goal using 104% of the budget with the Home Energy Rebate program contributing more than 89% 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 Q3

c. Addition or Discontinuation of Specific Measures or Services

- None in Q3

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

- None in Q3

e. For New Measures Added, TRC Screening Results

- None in Q3

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% of the savings goal through Q2 and utilized 43% of the budget.
- The majority of the realized savings (77%) achieved in this path were delivered through the Jumpstart (DI) program.

- b. Implementation Modifications
 - None in Q3
- c. Addition or Discontinuation of Specific Measures or Services
 - None in Q3
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research findings
 - None in Q3
- e. For New Measures Added, TRC Screening Results
 - None in Q3

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 has enrolled delivered 3,677 kits. 13% of student surveys have been received.
- f. Implementation Modifications
 - None in Q3
- b. Additions or Discontinuation of Specific Measures or Services
 - None in Q3
- c. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
 - None in Q3
- d. For New Measures Added, TRC Screening Results
 - None in Q3

4. Business Programs

- a. Program Activities

- The NSG Business Programs (Jumpstart, Engineering Studies, Prescriptive, Custom, Gas Optimization, and Smart Check) achieved 23% realized savings through Q3 using 55% of the budget.
- b. Implementation Modifications
 - None during Q3
- c. Additions or Discontinuation of Specific Measures or Services
 - None during Q3
- d. Changes Due to EM&V Input, IL TRM changes, NTG Changes, or Market Research Findings
 - There was a TRM Errata on Kitchen DCV measures during Q3. This change has minimal impact to overall program savings.
- e. For New Measures Added, TRC Screening Results
 - None during Q3

5. Small Business Program

- a. Program Activities
 - The NSG Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 176% realized savings in Q3 using 96% of the budget.
- b. Implementation Modifications
 - None during Q3
- c. Additions or Discontinuation of Specific Measures or Services
 - None during Q3
- d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings
 - None during Q3
- e. For new measures added, TRC screening results
 - None during Q3