



Date: July 14, 2017

**Quarterly Report of the Peoples Gas Light and Coke Company and the North Shore Gas Company
Program Year 6, 4th Quarter Qualitative Report, March 2017 - May 2017**

Pursuant to the Illinois Commerce Commission (“Commission”) final order in Docket No. 13-0550, attached is the Program Year 6 (PY6), Fourth Quarter (4Q) qualitative report accompanying the PY6, Q4 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 5.

Peoples Gas

Portfolio Performance Overview

- At the end of the fourth quarter, the Peoples Gas Natural Gas Savings Programs have achieved 67% realized savings, utilizing 83% of the budget, per the revised compliance filing. All programs are proceeding as forecast, and per Joint Petition 17-0212 approved goals. Due to overperformance in PY4 and PY5, the Peoples Gas portfolio is on track to achieve the revised compliance filing triennial goals.
- Much of the focus of this quarter was the smooth integration of former DCEO programs into the portfolio, including Residential Low Income, Multi-Family Income Qualified, Public Housing and the suite of Public Sector Programs.

1. Residential Programs

a. Program Activities

- The PGL Residential Programs (Home Energy Jumpstart, Home Energy Rebates, and Income Eligible) achieved 83% of the savings goal through Q4 using 73% of the budget.
- The Home Energy Rebate Program accounted for nearly two-thirds of Residential Program savings realized through Q4.

b. Implementation Modifications

- The Residential Low Income program design and contracting with Historic Chicago Bungalow Association was completed and production began in May.

c. Addition or Discontinuation of Specific Measures or Services

- None in Q4

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

- None in Q4

e. For New Measures Added, TRC Screening Results

- None in Q4

2. Multi-Family Programs

a. Program Activities

- The PGL Multi-Family Program (Multi-Family Jumpstart, Prescriptive, Partner Trade Ally, Income Eligible, Custom and Gas Optimization Programs) delivered strong

results through Q4, realizing 104% of the savings goal and utilizing 99% of the budget while building a strong pipeline for the remainder of the program year.

- 61% 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

- Subcontracting with Elevate Energy to deliver the Income Eligible Program

c. Addition or Discontinuation of Specific Measures or Services

- None in Q4

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

- None in Q4

e. For New Measures Added, TRC Screening Results

- None in Q4

3. Residential Outreach and Education Programs

a. Program Activities

- Home Energy Reports were sent throughout the winter with results beginning to come in. Plans are underway for the fall mailing, estimated November 2017, to reach 47,600 households.
- The Elementary Education Program served 200 schools and 13,366 households. 40% of student surveys have been received.

b. Implementation Modifications

- None in Q4

c. Additions or Discontinuation of Specific Measures or Services

- None in Q4

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

- None in Q4

e. For new measures added, TRC screening results

- None in Q4

4. Business Programs

a. Program Activities

- The PGL Business Programs (Jumpstart, Engineering Studies, Prescriptive, Custom, and Gas Optimization) achieved 67% realized savings through Q4 using 73% of the budget.

b. Implementation Modifications

- Significant efforts to integrate the large portfolio of public sector programs into the standard programs for a June 1 launch.

c. Additions or Discontinuation of Specific Measures or Services

- None during Q4

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

- None during Q4

e. For New Measures Added, TRC Screening Results

- None during Q4

5. Small Business Programs

a. Program Activities

- The PGL Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 105% realized savings in Q4 using 114% of the budget.

b. Implementation Modifications

- None during Q4

c. Additions or Discontinuation of Specific Measures or Services

- None during Q4

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

- None during Q4

e. For new measures added, TRC screening results

- None during Q4

North Shore Gas

Portfolio Overview

- At the end of the third quarter, the North Shore Gas Natural Gas Savings Programs have achieved 49% realized savings, utilizing 91% of the budget, per the revised compliance filing. All programs are proceeding as forecast, and per Joint Petition 17-0212 approved goals. Due to overperformance in PY4 and PY5, the North Shore Gas portfolio is on track to achieve the revised compliance filing triennial goals.
- Much of the focus of this quarter was the smooth integration of former DCEO programs into the portfolio, including Residential Low Income, Multi-Family Income Qualified, Public Housing and the suite of Public Sector Programs.

1. Residential Programs

a. Program Activities

- The NSG Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 288% of the Q4 savings goal using 144% 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 Q4

c. Addition or Discontinuation of Specific Measures or Services

- None in Q4

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

- None in Q4

e. For New Measures Added, TRC Screening Results

- None in Q4

2. Multi-Family Programs

a. Program Activities

- The NSG Multi-Family Program (Multi-Family Jumpstart, Prescriptive, Partner Trade Ally, Income Eligible, Custom and Gas Optimization Programs) achieved 8% of the savings goal through Q2 and utilized 64% of the budget.

- The majority of the realized savings (60%) achieved in this path were delivered through the Jumpstart (DI) program.
- b. Implementation Modifications
- None in Q4
- c. Addition or Discontinuation of Specific Measures or Services
- None in Q4
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research findings
- None in Q4
- e. For New Measures Added, TRC Screening Results
- None in Q4

3. Residential Outreach and Education Programs

- a. Program Activities
- Home Energy Reports were sent throughout the winter with results beginning to come in. Plans are underway for the fall mailing, estimated November 2017, to reach 55,000 households.
 - The Elementary Education Program served more than 50 schools and 3,728 households. 39% of student surveys have been received.
- f. Implementation Modifications
- None in Q4
- b. Additions or Discontinuation of Specific Measures or Services
- None in Q4
- c. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
- None in Q4
- d. For New Measures Added, TRC Screening Results
- None in Q4

4. Business Programs

a. Program Activities

- The NSG Business Programs (Jumpstart, Engineering Studies, Prescriptive, Custom, and Gas Optimization) achieved 23% realized savings through Q4 using 69% of the budget.

b. Implementation Modifications

- Significant efforts to integrate the large portfolio of public sector programs into the standard programs for a June 1 launch.

c. Additions or Discontinuation of Specific Measures or Services

- None during Q4

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

- None during Q4

e. For New Measures Added, TRC Screening Results

- None during Q4

5. Small Business Program

a. Program Activities

- The NSG Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 209% realized savings in Q4 using 143% of the budget.

b. Implementation Modifications

- None during Q4

c. Additions or Discontinuation of Specific Measures or Services

- None during Q4

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

- None during Q4

e. For new measures added, TRC screening results

- None during Q4