

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
)	
vs.)	
)	
North Shore Gas Company)	Docket No. 23-0804
The Peoples Gas Light and Coke Company)	
)	
Reconciliation of Revenues Collected)	
under Riders EOA with the actual costs)	
associated with energy efficiency and)	
on-bill financing programs)	

DIRECT TESTIMONY
OF
SAM ADDISON

1 **Q. Please state your name and business address.**

2 A. Sam Addison, 200 East Randolph Street, Chicago, Illinois 60601.

3 **Q. By whom are you employed?**

4 A. WEC Business Services LLC.

5 **Q. What position do you hold with WEC Business Services LLC?**

6 A. I am a Project Specialist 3 in Regulatory Affairs.

7 **Q. What are your responsibilities in that position?**

8 A. I am responsible for performing activities related to regulatory research, rate
9 and tariff administration, billing and rate impact studies, accounting and
10 reporting requirements for The Peoples Gas Light and Coke Company
11 “Peoples Gas” or the “Company”), and its sister utility, North Shore Gas
12 Company (“North Shore”). I also have managed and coordinated the
13 preparation and review of testimonies and exhibits pertaining to rate case

14 filings for Peoples Gas and North Shore pursuant to provisions of Part 285,
15 286, and 287 of the Commission's rules (83 Ill. Admin. Code Parts 285, 286,
16 and 287).

17 **Q. Please summarize your educational background and experience.**

18 A. I received a Bachelor of Science in Finance from the Driehaus College of
19 Business at DePaul University in 2013. I was hired by Integrys Business
20 Services in 2014 on the Finance team, where I worked 6 years across
21 multiple positions of increased responsibility, including support of the 2020
22 North Shore Gas Rate Case. In January 2022, I left WEC Energy Group to
23 join ComEd as a Senior Financial Analyst supporting Financial Operations.
24 In October 2022, I rejoined WBS as a Project Specialist 3 on the Regulatory
25 Affairs team.

26 **Q. Please give a brief description of the operations and status of North**
27 **Shore.**

28 A. North Shore is a corporation organized and existing under the laws of the
29 State of Illinois, having its principal office at 200 East Randolph Street,
30 Chicago, Illinois 60601. It is engaged in the business of purchasing,
31 distributing and selling natural gas to more than 168,000 customers in Cook
32 and Lake Counties, Illinois. North Shore is a public utility within the meaning
33 of the Public Utilities Act.

34 **Q. Please give a brief description of the operations and status of Peoples**
35 **Gas.**

36 A. Peoples Gas is a corporation organized and existing under the laws of the
37 State of Illinois, having its principal office at 200 East Randolph Street,
38 Chicago, Illinois 60601. It is engaged in the business of purchasing,
39 distributing and selling natural gas to more than 878,000 customers in the
40 City of Chicago. Peoples Gas is a public utility within the meaning of the
41 Public Utilities Act.

42 **Q. Please describe the subject matter of this proceeding.**

43 A. North Shore's and Peoples Gas' Schedule of Rates for Gas Service each
44 includes Rider EOA, Energy Efficiency and On-Bill Financing Adjustment.
45 The Commission approved Rider EOA in Docket No. 10-0564. Rider EOA
46 became effective June 20, 2011. Each year, Rider EOA calls for North Shore
47 and Peoples Gas to file charges (called the "Effective Component") with the
48 Commission. The Rider EOA Effective Component is a per-therm charge to
49 cover the costs of the energy efficiency program and the On-Bill Financing
50 ("OBF") program. The portions of the Effective Component associated with
51 energy efficiency and OBF are based on the four year budgets from the fourth
52 plan filed with the Commission in Docket 21-0159. Rider EOA is applicable
53 to all Service Classifications ("S.C."); however, for energy efficiency, certain
54 large customers have been identified as "exempt" or "self-directing" by the
55 Department of Commerce and Economic Development ("DCEO") per criteria
56 set forth in Section 8-104(m) of the Public Utilities Act. Such customers are
57 not subject to Rider EOA and do not participate in North Shore's and Peoples
58 Gas' energy efficiency programs or the OBF program, which is directed to

59 residential customers. For North Shore, there is a separate Effective
60 Component for:

- 61 • S.C. No. 1, which includes amounts for Residential Energy Efficiency
62 and OBF programs;
- 63 • S.C. No. 2, which includes amounts for Residential Energy Efficiency,
64 Commercial and Industrial Energy Efficiency, and OBF programs; and
- 65 • Combined S.C. Nos. 4, 5 and 7 (currently there are no customers
66 under S.C. Nos. 5 or 7), which includes amounts for Commercial and
67 Industrial Energy Efficiency programs.

68 For Peoples Gas, there is a separate Effective Component for:

- 69 • S.C. No. 1, which includes amounts for Residential Energy Efficiency
70 and OBF programs;
- 71 • S.C. No. 2, which includes amounts for Residential Energy Efficiency,
72 Commercial and Industrial Energy Efficiency, and OBF programs; and
- 73 • Combined S.C. Nos. 4, 5, 7 and 8, which includes amounts for
74 Commercial and Industrial Energy Efficiency programs.

75 For Program Year beginning June 1, 2016 and extending through December
76 31, 2017, and then afterwards January 1 through December 31 of each year,
77 Section E of Rider EOA require North Shore and Peoples Gas to file annually
78 no later than March 31 a reconciliation of amounts billed in the Previous
79 Program Year to the actual costs, as well as Reconciliation Adjustments
80 (“RA”) for any amounts over or under collected from customers per the
81 reconciliation. Such Reconciliation Adjustments would apply to a nine-month

82 reconciliation amortization period beginning April 1. This reconciliation also
83 includes a reconciliation of amounts collected or refunded through the
84 previous year's RA.

85 Section E of Rider EOA also requires that the Commission initiate an
86 annual review. North Shore and Peoples Gas must file testimony addressing
87 its reconciliation statement and the prudence and reasonableness of costs
88 incurred and recovered under Rider EOA during the Program Year that is the
89 subject of the reconciliation statement. Testimony of North Shore and
90 Peoples Gas witness Christina Frank (NSG-PGL Exhibit 2.0) addresses the
91 energy efficiency plan, programs implemented in the Program Year 2023,
92 reasonableness and prudence of costs incurred, and costs incurred under
93 the OBF program.

94 **Q. Please describe the period that will be reconciled.**

95 A. For Program Year 2023, Rider EOA requires a reconciliation of revenues for
96 a twelve-month period. The reconciliation period, which is the subject of my
97 testimony, is for the Program Period January 1, 2023, through December 31,
98 2023.

99 **Q. Has North Shore and Peoples Gas published public notice as required**
100 **in the Order in Docket No. 14-0640?**

101 A. Yes. Public notice was published timely in the Lake County News-Sun and
102 Chicago Tribune.

103 **Q. Please describe NSG-PGL Exhibit 1.1N.**

104 A. NSG-PGL Exhibit 1.1N is a statement of the RA components that will apply
105 for each month of the nine-month reconciliation amortization period
106 beginning April 1, 2024 and ending December 31, 2024 (“Statement”) for all
107 service classifications.

108 **Q. Was the Statement prepared under your supervision and direction?**

109 A. Yes, it was.

110 **Q. What is the purpose of the Statement?**

111 A. The Statement shows the applicable RA for customers served under North
112 Shore’s S.C. Nos. 1, 2 and combined 2, 4, 5 and 7 who are not classified as
113 exempt or self-directing, for the North Shore programs¹. It also shows the
114 derivation of each RA component and provides supporting data.

115 **Q. Please describe the elements of the Statement.**

116 A. In general, the Statement includes the following information:

- 117 • Page 1 shows the RA that will be billed over the nine-month
118 reconciliation amortization period beginning April 1, 2024 for each
119 Service Classification. The RA represents per-therm charges or
120 refunds.
- 121 • Page 2 through 4 Column [B] show the determination of the RA as
122 described under Section D(2) of Rider EOA for S.C. Nos. 1 and 2 for
123 residential programs, and combined S.C. Nos. 2, 4, 5 and 7 for
124 commercial and industrial programs..

¹ In Final Order ICC Docket No. 17-0212, DCEO’s responsibility for the funding of certain energy efficiency programs was eliminated. Per that order, North Shore continued with certain energy efficiency programs previously responsible under DCEO.

125 • Page 2 shows the determination of the RA for S.C. No. 1. Lines 2
126 through 13 represent the calculation of the Total Reconciliation Dollar
127 amounts, including Interest, for Residential Energy Efficiency. This
128 amount, shown on Line 13, is the result of deducting EOA Revenues
129 (EREV) from EOA Expenses (EEXP), adding the RA amount for the
130 previous program year RA to be recovered or refunded (ERA2),
131 adding the applicable Interest, and if any, adding the Factor O
132 adjustment per the Order in Docket No. 23-0072. For calendar year
133 2024, the applicable interest rate established by the Commission is
134 5.5 percent pursuant to the order in Docket No. 23-0808. Line 14
135 represents the dollars-per-therm RA. It is derived by dividing the Total
136 Reconciliation Dollar amount on Line 13 by the Total Therm Deliveries
137 forecasted for the nine-month reconciliation amortization period (Line
138 3) that the RA will be in effect. An RA must calculate to \$0.0001 per
139 therm or more for North Shore to include it on customer bills.

140 Lines 16 through 27 represent the calculation of the Total
141 Reconciliation Dollar amounts, including Interest, for the portion of
142 Rider EOA attributable to OBF. This amount, shown on Line 27, is the
143 result of deducting EOA Revenues related to OBF (OREV) from EOA
144 Expenses related to OBF (OEXP), adding the RA related to OBF to
145 be recovered or refunded for the previous program year RA (ORA2),
146 adding the applicable Interest, and if any, adding the Factor O
147 adjustment per the Order in Docket No. 23-0072. Line 28 represents

148 the dollars-per-therm RA. It is derived by dividing the Total
149 Reconciliation Dollar amount on Line 27 by the Total Therm Deliveries
150 forecasted for the nine-month reconciliation amortization period (Line
151 17) that the RA will be in effect. Similar calculations are performed for
152 S.C. No. 2 Residential Energy Efficiency and OBF on Page 3, and
153 combined S.C. Nos. 2, 4, 5 and 7 Commercial and Industrial Energy
154 Efficiency on Page 4.

- 155 • Page 5 shows the North Shore program aggregation of monthly EOA
156 Expenses (EEXP and OEXP), Revenues (EREV and OREV) and
157 previous program year Reconciliation Adjustment (ERA1 and ORA1)
158 amounts recovered or refunded. EEXP and OEXP represent the
159 actual amount of expenses incurred by North Shore during the
160 previous Program Period for energy efficiency and OBF. EREV
161 represents 100% of billed revenues arising from application of the
162 Effective Component during the previous Program Period for energy
163 efficiency that are applicable to North Shore as allowed under the
164 Rider. OREV represents billed revenues for OBF. The Reconciliation
165 Adjustment ERA1 and ORA1 amounts represent the amounts
166 collected or refunded during the previous reconciliation amortization
167 period arising from the application of the RA from the Previous
168 Program Period for energy efficiency and OBF. The totals for
169 Expenses, Revenues, and RA amounts for each applicable service
170 classification are shown on Line 15 for Residential Energy Efficiency,

171 Line 30 for Commercial and Industrial Energy Efficiency, and Line 45
172 for OBF.

173 • Page 6 shows the forecasted total therm deliveries for the
174 reconciliation amortization period of April 2024 through December
175 2024. The total therm deliveries for S.C. No. 2 and combined S.C.
176 Nos. 4, 5 and 7 are adjusted to exclude therm deliveries to individual
177 customers reported by DCEO as exempt or self-directing who are not
178 subject to Rider EOA. Therm totals used in calculations of per-therm
179 charges are:

- 180 ○ Column C, Line 10 for S.C. No. 1 residential programs;
- 181 ○ Column F, Line 10 for S.C. No. 2 residential programs; and
- 182 ○ Columns F + I, Line 10 for combined S.C. Nos. 2, 4, 5 and 7
183 commercial and industrial programs.

184 **Q. How much was calculated as refundable or recoverable from S.C. No. 1**
185 **customers over the nine-month period beginning April 1, 2024, for**
186 **residential energy efficiency and OBF?**

187 A. As shown on NSG-PGL Exhibit 1.1N, the reconciliation result is a refund of
188 \$335,720.11 to customers (NSG-PGL Exhibit 1.1N, Page 2, Column B, Line
189 13 plus Line 27).

190 **Q. What is the RA component that will be effective for S.C. No. 1 beginning**
191 **April 1, 2024?**

192 A. The RA component for S.C. No. 1 customers will be a refund of \$0.0030 per
193 therm (NSG-PGL Exhibit 1.1N, Page 1, Column B, Line 4).

194 **Q. How much was calculated as refundable or recoverable from S.C. No. 2**
195 **customers over the nine-month period beginning April 1, 2024, for**
196 **residential energy efficiency and OBF?**

197 A. As shown on NSG-PGL Exhibit 1.1N the reconciliation results in a charge of
198 \$228,352.42 to customers (NSG-PGL Exhibit 1.1N, Page 3, Column B, Line
199 13 plus Line 27).

200 **Q. How much was calculated as refundable or recoverable from combined**
201 **S.C. Nos. 2, 4, 5 and 7 customers over the nine-month period beginning**
202 **April 1, 2024, for commercial and industrial energy efficiency**
203 **programs?**

204 A. As shown on NSG-PGL Exhibit 1.1N the reconciliation results in a charge of
205 \$391,523.73 to customers (NSG-PGL Exhibit 1.1N, Page 4, Column B, Line
206 13).

207 **Q. What is the RA component that will be effective for S.C. No. 2 beginning**
208 **April 1, 2024, for residential, commercial and industrial energy**
209 **efficiency and OBF?**

210 A. The RA component for S.C. No. 2 customers will be a charge of \$0.0086 per
211 therm (NSG-PGL Exhibit 1.1N, Page 1, Column C, Line 4).

212 **Q. What is the RA component that will be effective for S.C. Nos. 4, 5, and 7**
213 **beginning April 1, 2024, for commercial and industrial energy**
214 **efficiency?**

215 A. The RA component for S.C. Nos. 4, 5 and 7 customers will be a charge of
216 \$0.0048 per therm (NSG-PGL Exhibit 1.1N, Page 1, Column D, Line 4).

217 **Q. Please describe how the RA components will be included on**
218 **customers' bills.**

219 A. The RA components were filed with the Commission on Information Sheet
220 No. 29 and are added to the Effective Component adjustment amounts for
221 the 2024 program year and billed as a single adjustment for each service
222 classification effective April 1, 2024.

223 **Q. Please describe NSG-PGL Exhibit 1.1P.**

224 A. NSG-PGL Exhibit 1.1P is a statement of the RA components that will apply
225 for each month of the nine-month reconciliation amortization period
226 beginning April 1, 2024, and ending December 31, 2024 ("Statement") for all
227 service classifications.

228 **Q. Was the Statement prepared under your supervision and direction?**

229 A. Yes, it was.

230 **Q. What is the purpose of the Statement?**

231 A. The Statement shows the applicable RA for customers served under Peoples
232 Gas' S.C. Nos. 1, 2 and combined 2, 4, 5, 7 and 8 who are not classified as
233 exempt or self-directing, for the Peoples Gas programs². It also shows the
234 derivation of each RA component and provides supporting data.

235 **Q. Please describe the elements of the Statement.**

236 A. In general, the Statement includes the following information:

² In Final Order ICC Docket No. 17-0212, DCEO's responsibility for the funding of certain energy efficiency programs was eliminated. Per that order, Peoples Gas continued with certain energy efficiency programs previously responsible under DCEO.

- 237
- Page 1 shows the RA that will be billed over the nine-month
238 reconciliation amortization period beginning April 1, 2024, for each
239 Service Classification. The RA represents per-therm charges or
240 refunds.
- 241
- Page 2 through 4 Column [B] show the determination of the RA as
242 described under Section D(2) of Rider EOA for S.C. Nos. 1 and 2 for
243 residential programs, and combined S.C. Nos. 2, 4, 5, 7 and 8 for
244 commercial and industrial programs.
- 245
- Page 2 shows the determination of the RA for S.C. No. 1. Lines 2
246 through 13 represent the calculation of the Total Reconciliation Dollar
247 amounts, including Interest, for Residential Energy Efficiency. This
248 amount, shown on Line 13, is the result of deducting EOA Revenues
249 (EREV) from EOA Expenses (EEXP), adding the RA amount for the
250 previous program year RA to be recovered or refunded (ERA2),
251 adding the applicable Interest, and adding the Factor O adjustment
252 per the Order in Docket No. 23-0072, if any. For calendar year 2024,
253 the applicable interest rate established by the Commission is 5.5
254 percent pursuant to the order in Docket No. 23-0808. Line 14
255 represents the dollars-per-therm RA. It is derived by dividing the Total
256 Reconciliation Dollar amount on Line 13 by the Total Therm Deliveries
257 forecasted for the nine-month reconciliation amortization period (Line
258 3) that the RA will be in effect. An RA must calculate to \$0.0001 per
259 therm or more for Peoples Gas to include it on customer bills. Lines

260 16 through 27 represent the calculation of the Total Reconciliation
261 Dollar amounts, including Interest, for the portion of Rider EOA
262 attributable to OBF. This amount, shown on Line 27, is the result of
263 deducting EOA Revenues related to OBF (OREV) from EOA
264 Expenses related to OBF (OEXP), adding the RA related to OBF to
265 be recovered or refunded for the previous reconciliation amortization
266 period (ORA2), adding the applicable Interest, and if any, adding the
267 Factor O adjustment per the Order in Docket No. 23-0072, if any. Line
268 28 represents the dollars-per-therm RA. It is derived by dividing the
269 Total Reconciliation Dollar amount on Line 27 by the Total Therm
270 Deliveries forecasted for the nine-month reconciliation amortization
271 period (Line 17) that the RA will be in effect. Similar calculations are
272 performed for S.C. No. 2 Residential Energy Efficiency and OBF on
273 Page 3, and combined 2, 4, 5, 7 and 8 Commercial and Industrial
274 Energy Efficiency on Page 4.

- 275 • Page 5 shows the Peoples Gas program aggregation of monthly EOA
276 Expenses (EEXP and OEXP), Revenues (EREV and OREV) and
277 previous reconciliation amortization period Reconciliation Adjustment
278 (ERA1 and ORA1) amounts recovered or refunded. EEXP and OEXP
279 represent the actual amount of expenses incurred by Peoples Gas
280 during the previous Program Period for energy efficiency and OBF.
281 EREV represents 100% of billed revenues arising from application of
282 the Effective Component during the previous Program Period for

283 energy efficiency that are applicable to Peoples Gas as allowed under
 284 the Rider. OREV represents billed revenues for OBF. The
 285 Reconciliation Adjustment ERA1 and ORA1 amounts represent the
 286 amounts collected or refunded during the previous Program Period
 287 arising from the application of the RA from the Previous Program
 288 Period for energy efficiency and OBF. The totals for Expenses,
 289 Revenues, and RA amounts for each applicable service classification
 290 are shown on Line 15 for Residential Energy Efficiency, Line 30 for
 291 Commercial and Industrial Energy Efficiency, and Line 45 for OBF.

292 • Page 6 shows the forecasted total therm deliveries for the
 293 reconciliation amortization period of April 2024 through December
 294 2024. The total therm deliveries for S.C. No. 2 and combined S.C.
 295 Nos. 4, 5, 7 and 8 are adjusted to exclude therm deliveries to individual
 296 customers reported by DCEO as exempt or self-directing who are not
 297 subject to Rider EOA.

298 Therm totals used in calculations of per-therm charges are:

- 299 ○ Column C, Line 10 for S.C. No. 1 residential programs;
- 300 ○ Column F, Line 10 for S.C. No. 2 residential programs; and
- 301 ○ Columns F + I, Line 10 for combined S.C. Nos. 2, 4, 5, 7 and 8
 302 for commercial and industrial programs.

303 **Q. How much was calculated as refundable or recoverable from S.C. No. 1**
 304 **customers over the nine-month period beginning April 1, 2024, for**
 305 **residential energy efficiency and OBF?**

306 A. As shown on NSG-PGL Exhibit 1.1P the reconciliation result is a refund of
307 \$3,350,532.66 to customers (NSG-PGL Exhibit 1.1P, Page 2, Column B, Line
308 13 plus Line 27).

309 **Q. What is the RA component that will be effective for S.C. No. 1 beginning**
310 **April 1, 2024?**

311 A. The RA component for S.C. No. 1 customers will be a refund of \$0.0092 per
312 therm (NSG-PGL Exhibit 1.1P, Page 1, Column B, Line 4).

313 **Q. How much was calculated as refundable or recoverable from S.C. No. 2**
314 **customers over the nine-month period beginning April 1, 2024, for**
315 **residential energy efficiency and OBF?**

316 A. As shown on NSG-PGL Exhibit 1.1P the reconciliation results in a charge of
317 \$1,837,609.78 to customers (NSG-PGL Exhibit 1.1P, Page 3, Column B, Line
318 13 plus Line 27).

319 **Q. How much was calculated as refundable or recoverable from combined**
320 **S.C. Nos. 2, 4, 5, 7 and 8 customers over the nine-month period**
321 **beginning April 1, 2024, for commercial and industrial energy efficiency**
322 **programs?**

323 A. As shown on NSG-PGL Exhibit 1.1P the reconciliation result is a charge of
324 \$3,529,638.18 to customers (NSG-PGL Exhibit 1.1P, Page 4, Column B, Line
325 13).

326 **Q. What is the RA component that will be effective for S.C. No. 2 beginning**
327 **April 1, 2024, for residential, commercial and industrial energy**
328 **efficiency and OBF?**

329 A. The RA component for S.C. No. 2 customers will be a charge of \$0.0122 per
 330 therm (NSG-PGL Exhibit 1.1P, Page 1, Column C, Line 4).

331 **Q. What is the RA component that will be effective for S.C. Nos. 4, 5, 7 and**
 332 **8 beginning April 1, 2024, for commercial and industrial energy**
 333 **efficiency?**

334 A. The RA component for S.C. Nos. 4, 5, 7 and 8 customers will be a charge of
 335 \$0.0071 per therm (NSG-PGL Exhibit 1.1P, Page 1, Column D, Line 4).

336 **Q. Please describe how the RA components will be included on**
 337 **customers' bills.**

338 A. The RA components were filed with the Commission on Information Sheet
 339 No. 28 and are added to the Effective Component adjustment amounts for
 340 the 2024 program year and billed as a single adjustment for each service
 341 classification effective April 1, 2024.

342 **Q. In accordance to Section E of Riders EOA of Peoples Gas' and North**
 343 **Shore's Schedule of Rates, an internal audit report dated July 16, 2024**
 344 **was filed to the ICC on August 1, 2024. Were there any observations**
 345 **related to the Program Year 2023 period in the report?**

346 A. According to the internal audit report, the review of the reconciliation
 347 adjustment revealed several invoicing errors that led to incorrect expense
 348 allocations across service classifications and a minor overbilling to PGL and
 349 NSG. The findings are detailed in the table below:

350

	Under (Over) Statement of Expenses (in dollars)	
	PGL	NSG

	Residential SC No.1	Residential SC No.2	Commercial & Industrial	Residential SC No.1	Residential SC No.2	Commercial & Industrial
Total Variances	(\$92,902)	\$52,023	\$38,139	(\$194)	(\$35)	(\$172)
Net Impact	(\$2,740)			(\$401)		

351

352 I attached the internal audit report as NSG-PGL Exhibit 1.2

353 **Q. Please explain NSG-PGL Exhibit 1.3N.**

354 A. NSG-PGL Exhibit 1.3N reflects the reconciliation of North Shore Gas energy
355 efficiency program expenses including On Bill Financing between NSG-PGL
356 Exhibit 1.1N and NSG-PGL Exhibit 2.1 which is sponsored by Company
357 witness Christina Frank. Exhibit 2.1-North Shore Gas 2023 Quarter 4 ICC
358 Report was filed to the ICC on February 14, 2024 and Exhibit 1.1N was filed
359 to the ICC for Rider EOA reconciliation rates in effect April 1, 2024. Upon
360 reconciliation of the two Exhibits, items were identified related to (a)
361 adjustment for actuals costs reflected in the Quarter 4 ICC Report that were
362 2024 expenses, not 2023 and (b) adjustment based on internal audit findings
363 see page 2 of 2 .

364 **Q. Please explain NSG-PGL Exhibit 1.3P.**

365 A. NSG-PGL Exhibit 1.3P reflects the reconciliation of Peoples Gas Energy
366 Efficiency program expenses including On Bill Financing between NSG-PGL
367 Exhibit 1.1P and NSG-PGL Exhibit 2.2 which is sponsored by Company
368 witness Christina Frank. Exhibit 2.2-Peoples Gas 2023 Quarter 4 ICC Report
369 was filed to the ICC on February 14, 2024 and Exhibit 1.1P was filed to the
370 ICC for Rider EOA reconciliation rates in effect April 1, 2024. Upon
371 reconciliation of the two Exhibits, items were identified related to (a)

372 adjustment for actuals costs reflected in the Quarter 4 ICC Report that were
373 2024 expenses, not 2023 and (b) adjustment based on internal audit findings
374 see page 2 of 2 .

375

376 **Q. Does this conclude your direct testimony?**

377 **A.** Yes, it does.

North Shore Gas Company

**Energy Efficiency and On-Bill Financing Adjustment
Under Rider EOA
Schedule of Rates, ILL. C.C. No. 17**

Applicable to All Service Classifications

Statement of Reconciliation Adjustment

**Effective With Service Rendered
On and After April 1, 2024**

Line No.	Adjustments	Amount per Therm		
		Service Classification No. 1	Service Classification No. 2	Service Classification Nos. 4, 5 & 7
	[A]	[B]	[C]	[D]
1	Residential Energy Efficiency Adjustments	\$ (0.0032) ¹	\$ 0.0038 ²	
2	Commercial/Industrial Energy Efficiency Adjustments		\$ 0.0048 ³	\$ 0.0048 ³
3	On-Bill Financing Adjustments	\$ 0.0002 ⁴	\$ - ⁵	
4	Total Reconciliation Adjustment (Sum of Lines 1-3)	<u>\$ (0.0030)</u>	<u>\$ 0.0086</u>	<u>\$ 0.0048</u>

Notes:

- ¹ Page 2, Column B, Line 14
- ² Page 3, Column B, Line 14
- ³ Page 4, Column B, Line 14
- ⁴ Page 2, Column B, Line 28
- ⁵ Page 3, Column B, Line 28

North Shore Gas Company
Annual Reconciliation Calculation for Rider EOA
Twelfth Program Year (January 1, 2023 - December 31, 2023)
Service Classification No. 1

Line No.	Item Description	Total North Shore Gas	Notes
	[A]	[B]	[C]
1	Calculation of Reconciliation Adjustment (RA)		
2	Calculation of Residential Energy Efficiency ERA ₁		
3	Total Therms	108,995,678	P.7, Col. C, Line 10
4	Energy Efficiency Expenses (EEXP)	\$ 1,347,143.06	P. 5, Col. C, Line 15 for North Shore Gas
5	Energy Efficiency Revenues (EREV)	1,597,675.19	P. 5, Col. G, Line 15 for North Shore Gas
6	Subtotal Residential ERA ₁	(250,532.13)	Line 4 - Line 5
7	Calculation of Residential Energy Efficiency ERA ₂		
8	ERA ₁ , Previous Year	(625,491.66)	Previous Year Filing - Reconciliation Adjustment, p 2 line 13 (PY11)
9	ERA ₁ , Previous Year Collections/(Refunds)	(537,067.25)	P. 5, Col. K, Line 15 for North Shore Gas P. 6, Col. K, Line 15 for DCEO
10	Subtotal Residential ERA ₂	(88,424.41)	Line 8 - Line 9
11	Calculation of Interest (5.5% annually)(1)	(13,981.96)	(Lines 6 + 10) x Interest Rate x 9 / 12
	Factor O Adjustments	(636.00)	Factor O based on Final Order 23-0072, Appendix A, Page 5, Column b, row 1
12	Total Reconciliation Dollars	\$ (353,574.50)	Line 6 + Line 10 + Line 11 + Line 12
14	Total Residential Energy Efficiency ERA	\$ (0.0032)	Line 13 / Line 3
15			
16	Calculation of Residential On-Bill Financing ORA ₁		
17	Total Therms	108,995,678	P. 7, Col. C, Line 10
18	On-Bill Financing Expenses (OEXP)	\$ 64,346.32	P. 5, Col. C, Line 47
19	On-Bill Financing Revenues (OREV)	51,557.90	P. 5, Col. G, Line 47
20	Subtotal Residential ORA ₁	12,788.42	Line 18 - Line 19
21	Calculation of Residential On-Bill Financing ORA ₂		
22	ORA ₁ , Previous Year	4,249.57	Previous Year Filing - Reconciliation Adjustment, p 2 line 27 (PY10)
23	ORA ₁ , Previous Year Collections/(Refunds)	(109.18)	P. 5, Col. K, Line 47
24	Subtotal Residential ORA ₂	4,358.75	Line 22 - Line 23
25	Calculation of Interest (5.5% annually)(1)	707.32	(Lines 20 + 24) x Interest Rate x 9 / 12
	Factor O Adjustments	-	
26	Total Reconciliation Dollars	\$ 17,854.49	Line 20 + Line 24 + Line 25 + Line 26
28	Total Residential On-Bill financing ORA	\$ 0.0002	Line 27 / Line 17
29			
30	<u>Notes:</u>		
31	(1) The interest rate set by the Illinois Commerce Commission for Calendar 2024 is:		5.5%

North Shore Gas Company
Annual Reconciliation Calculation for Rider EOA
Twelfth Program Year (January 1, 2023 - December 31, 2023)
Service Classification No. 2 Residential Programs

Line No.	Item Description	Total North Shore Gas	Notes
	[A]	[B]	[C]
1	Calculation of Reconciliation Adjustment (RA)		
2	Calculation of Residential Energy Efficiency ERA ₁		
3	Total therms	60,627,008	P. 7, Col. F, Line 10
4	Energy Efficiency Expenses (EEXP)	\$ 428,292.71	P. 5, Col. D, Line 15 for North Shore Gas
5	Energy Efficiency Revenues (EREV)	208,198.27	P. 5, Col. H, Line 15 for North Shore Gas
6	Subtotal Residential ERA ₁	220,094.44	Line 4 - Line 5
7	Calculation of Residential Energy Efficiency ERA ₂		
8	ERA ₁ , Previous Year	(17,959.56)	Previous Year Filing - Reconciliation Adjustment, p 3 line 13 (PY11)
9	ERA ₁ , Previous Year Collections/(Refunds)	(15,874.65)	P. 5, Col. L, Line 15 for North Shore Gas
10	Subtotal Residential ERA ₂	(2,084.91)	Line 8 - Line 9
11	Calculation of Interest (5.5% annually)(1)	8,992.89	(Lines 6 + 10) x Interest Rate x 9 / 12
12	Factor O Adjustments	1,350.00	Factor O based on Final Order 23-0072, Appendix A, Page 5, Column c, row 1
13	Total Reconciliation Dollars	\$ 228,352.42	Line 6 + Line 10 + Line 11 + Line 12
14	Total Residential Energy Efficiency ERA	\$ 0.0038	Line 13 / Line 3
15			
16	Calculation of Residential On-Bill Financing ORA ₁		
17	Total Therms	60,627,008	P. 7, Col. F, Line 10
18	On-Bill Financing Expenses (OEXP)	\$ -	P. 5, Col. D, Line 47
19	On-Bill Financing Revenues (OREV)	-	P. 5, Col. H, Line 47
20	Subtotal Residential ORA ₁	-	Line 18 - Line 19
21	Calculation of Residential On-Bill Financing ORA ₂		
22	ORA ₁ , Previous Year	-	Previous Year Filing - Reconciliation Adjustment, p 3 line 27 (PY11)
23	ORA ₁ , Previous Year Collections/(Refunds)	-	P. 5, Col. L, Line 47
24	Subtotal Residential ORA ₂	-	Line 22 - Line 23
25	Calculation of Interest (5.5% annually)(1)	-	(Lines 20 + 24) x Interest Rate x 9 / 12
26	Factor O Adjustment	-	
27	Total Reconciliation Dollars	\$ -	Line 20 + Line 24 + Line 25 + Line 26
28	Total Residential On-Bill financing ORA	\$ -	Line 27 / Line 17
29			
30	<u>Notes:</u>		
31	(1) The interest rate set by the Illinois Commerce Commission for Calendar 2024 is:		5.5%

North Shore Gas Company
Annual Reconciliation Calculation for Rider EOA
Twelfth Program Year (January 1, 2023 - December 31, 2023)
S.C. Nos. 2, 4, 5 and 7 - Commercial and Industrial Programs

Line No.	Item Description [A]	Total North Shore Gas [B]	Notes [C]
1	Calculation of Reconciliation Adjustment (RA)		
2	Calculation of Residential Energy Efficiency ERA1 ₁		
3	Total therms	81,557,124	P. 7, Line 10, Cols. F+I
4	Energy Efficiency Expenses (EEXP)	\$ 2,272,321.24	P. 5, Col. F, Line 31 for North Shore Gas
5	Energy Efficiency Revenues (EREV)	<u>1,862,838.27</u>	P. 5, Col. J, Line 31 for North Shore Gas
6	Subtotal C&I ERA1 ₁	409,482.97	Line 4 - Line 5
7	Calculation of C&I Energy Efficiency ERA2 ₁		
8	ERA1 ₁ Previous Year	(318,426.79)	Previous Year Filing - Reconciliation Adjustment, p 4 line 13 (PY11)
9	ERA1 ₁ Previous Year Collections/(Refunds)	<u>(285,734.92)</u>	P. 5, Col. N, Line 31 for North Shore Gas
10	Subtotal C&I ERA2 ₁	(32,691.87)	Line 8 - Line 9
11	Calculation of Interest (5.5% annually)	15,542.63	(Lines 6 + 10) x Interest Rate x 9 / 12
	Factor O Adjustments:	(810.00)	Factor O based on Final Order 23-0072, Appendix A, Page 5, Column d, row 1
12			
13	Total Reconciliation Dollars	<u>\$ 391,523.73</u>	Line 6 + Line 10 + Line 11 + Line 12
14	Total C&I Energy Efficiency ERA	<u>\$ 0.0048</u>	Line 13 / Line 3
15			
16	<u>Notes:</u>		
17	(1) The interest rate set by the Illinois Commerce Commission for Calendar 2024 is:	5.5%	

North Shore Gas Company

North Shore Gas Energy Efficiency and On-Bill Financing Programs

**Program Year Revenues and Expenses
Twelfth Program Year (January 1, 2023 - December 31, 2023)**

Line No.	Month	Year	Expenses ¹				Revenues ²				RA1 Collections/(Refunds) ³				Line No.
			Service Classification No. 1	Service Classification No. 2	Service Classification Nos. 4, 5 & 7	Total	Service Classification No. 1	Service Classification No. 2	Service Classification Nos. 4, 5 & 7	Total	Service Classification No. 1	Service Classification No. 2	Service Classification Nos. 4, 5 & 7	Total	
			[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	
[A]	[B]	[C]+[D]+[E]				[G]+[H]+[I]				[K]+[L]+[M]					
1	Residential Energy Efficiency														1
2	Jan	2023	\$ 5,833.19	\$ 1,912.58	\$ -	\$ 7,745.77	267,124.12	36,928.83	-	304,052.95	3,997.36	6.71	-	4,004.07	2
3	Feb	2023	\$ 60,828.33	23,711.75	-	84,540.09	250,847.53	30,344.44	-	281,191.97	13.80	14.10	-	27.90	3
4	Mar	2023	\$ 83,746.77	28,817.62	-	112,564.39	219,409.26	31,067.60	-	250,476.86	(13.68)	0.26	-	(13.42)	4
5	Apr	2023	\$ 94,661.39	31,401.63	-	126,063.02	126,592.96	15,599.69	-	142,192.65	(74,033.22)	(2,418.62)	-	(76,451.84)	5
6	May	2023	\$ 83,926.61	38,491.22	-	122,417.83	83,209.28	10,218.41	-	93,427.69	(52,952.61)	(1,482.66)	-	(54,435.27)	6
7	June	2023	\$ 65,964.83	27,160.32	-	93,125.16	55,627.01	6,220.33	-	61,847.34	(35,380.83)	(888.14)	-	(36,268.97)	7
8	July	2023	\$ 85,658.83	46,272.74	-	131,931.57	40,884.26	5,453.12	-	46,337.38	(26,022.30)	(780.36)	-	(26,802.66)	8
9	Aug	2023	\$ 78,437.26	32,001.99	-	110,439.25	32,742.21	5,195.42	-	37,937.63	(20,671.43)	(793.08)	-	(21,464.51)	9
10	Sept	2023	\$ 87,367.26	30,362.81	-	117,730.07	37,902.20	6,150.66	-	44,052.86	(24,093.28)	(815.55)	-	(24,908.83)	10
11	Oct	2023	\$ 288,918.02	31,310.11	-	320,228.13	93,552.16	13,604.11	-	107,156.27	(59,654.42)	(1,905.37)	-	(61,559.79)	11
12	Nov	2023	\$ 109,216.79	29,297.21	-	138,514.00	169,856.59	21,905.74	-	191,762.33	(108,159.60)	(3,120.97)	-	(111,280.57)	12
13	Dec	2023	\$ 122,681.97	46,962.42	-	169,644.39	219,927.61	25,509.92	-	245,437.53	(140,097.04)	(3,690.97)	-	(143,788.01)	13
14	Adjustments		\$ 179,901.77	60,590.32	-	240,492.09	-	-	-	-	-	-	-	-	14
15	Total		\$ 1,347,143.06	\$ 428,292.71	\$ -	\$ 1,775,435.76	\$ 1,597,675.19	\$ 208,198.27	\$ -	\$ 1,805,873.46	\$ (537,067.25)	\$ (15,874.65)	\$ -	\$ (552,941.90)	15
	Commercial and Industrial Energy Efficiency														16
16	Jan	2023	-	-	\$ 6,462.21	-	262,050.60	39,655.87	301,706.47	-	359.13	(4,039.86)	-	(3,680.73)	17
17	Feb	2023	-	-	36,576.54	-	215,248.24	17,271.67	232,519.91	-	(242.11)	-	-	(242.11)	18
18	Mar	2023	-	-	131,220.36	-	220,437.25	35,580.79	256,018.04	-	33.17	-	-	33.17	19
19	Apr	2023	-	-	101,837.39	-	110,682.45	31,334.42	142,016.87	-	(31,500.27)	(7,103.42)	-	(38,603.69)	20
20	May	2023	-	-	126,924.51	-	72,569.18	6,515.45	79,084.63	-	(19,134.23)	(996.43)	-	(20,130.66)	21
21	June	2023	-	-	192,465.18	-	44,194.33	44,246.88	88,441.21	-	(11,610.11)	(11,679.34)	-	(23,289.45)	22
22	July	2023	-	-	250,413.01	-	38,776.73	33,032.48	71,809.21	-	(10,182.03)	(8,719.08)	-	(18,901.11)	23
23	Aug	2023	-	-	122,209.75	-	37,249.12	36,710.24	73,959.36	-	(10,371.29)	(9,608.74)	-	(19,980.03)	24
24	Sept	2023	-	-	139,452.74	-	43,247.46	31,859.68	75,107.14	-	(10,660.01)	(8,339.07)	-	(18,999.08)	25
25	Oct	2023	-	-	146,895.73	-	96,488.23	35,851.02	132,339.25	-	(24,791.61)	(9,383.81)	-	(34,175.42)	26
26	Nov	2023	-	-	213,145.98	-	155,407.94	35,509.43	190,917.37	-	(40,782.58)	(9,294.41)	-	(50,076.99)	27
27	Dec	2023	-	-	331,952.30	-	181,185.05	37,733.76	218,918.81	-	(47,812.20)	(9,876.62)	-	(57,688.82)	28
28	Adjustments		-	-	472,765.56	-	-	-	-	-	-	-	-	-	29
29	Total		\$ -	\$ -	\$ 2,272,321.24	\$ -	\$ 1,477,536.58	\$ 385,301.69	\$ 1,862,838.27	\$ -	\$ (206,694.14)	\$ (79,040.78)	\$ -	\$ (285,734.92)	30
31	On-Bill Financing														31
32	Jan	2023	\$ -	\$ -	\$ -	\$ 8,813.34	-	-	8,813.34	\$ (110.63)	-	-	-	(110.63)	32
33	Feb	2023	\$ 5,217.74	\$ -	\$ 5,217.74	\$ 8,261.01	-	-	8,261.01	\$ (0.92)	-	-	-	(0.92)	33
34	Mar	2023	\$ 5,161.32	\$ -	\$ 5,161.32	\$ 7,223.25	-	-	7,223.25	\$ 0.44	-	-	-	0.44	34
35	Apr	2023	\$ 404.88	\$ -	\$ 404.88	\$ 4,160.60	-	-	4,160.60	\$ 0.16	-	-	-	0.16	35
36	May	2023	\$ 398.56	\$ -	\$ 398.56	\$ 2,494.34	-	-	2,494.34	\$ (0.92)	-	-	-	(0.92)	36
37	June	2023	\$ 392.57	\$ -	\$ 392.57	\$ 1,710.84	-	-	1,710.84	\$ 0.17	-	-	-	0.17	37
38	July	2023	\$ 9,936.85	\$ -	\$ 9,936.85	\$ 1,106.72	-	-	1,106.72	\$ (0.15)	-	-	-	(0.15)	38
39	Aug	2023	\$ 14,831.19	\$ -	\$ 14,831.19	\$ 861.22	-	-	861.22	\$ 2.48	-	-	-	2.48	39
40	Sept	2023	\$ 5,600.50	\$ -	\$ 5,600.50	\$ 910.11	-	-	910.11	\$ (2.94)	-	-	-	(2.94)	40
41	Oct	2023	\$ 5,594.98	\$ -	\$ 5,594.98	\$ 3,114.32	-	-	3,114.32	\$ (0.09)	-	-	-	(0.09)	41
42	Nov	2023	\$ 5,644.63	\$ -	\$ 5,644.63	\$ 5,651.42	-	-	5,651.42	\$ 1.58	-	-	-	1.58	42
43	Dec	2023	\$ 5,584.25	\$ -	\$ 5,584.25	\$ 7,250.73	-	-	7,250.73	\$ 1.64	-	-	-	1.64	43
44	Adjustment		\$ 5,578.85	\$ -	\$ 5,578.85	\$ -	-	-	-	\$ -	-	-	-	-	44
45	Total		\$ 64,346.32	\$ -	\$ 64,346.32	\$ 51,557.90	\$ -	\$ -	\$ 51,557.90	# \$ (109.18)	\$ -	\$ -	\$ -	\$ (109.18)	45

Notes: ¹ Represents factors EEXP for energy efficiency, and OEXP for On-Bill Financing, as defined in Rider EOA.
² Represents factors EREV for energy efficiency, and OREV for On-Bill Financing, as defined in Rider EOA.
³ Represents factors ERA1 for energy efficiency, and ORA1 for On-Bill Financing, based on the prior year, as defined in Rider EOA.

North Shore Gas Company

Energy Efficiency and On-Bill Financing Adjustment

**Forecasted Total Therm Deliveries for Reconciliation Period¹
April 2024 through December 2024**

Line No.	Month	Year	Forecasted Total Therm Deliveries						Line No.	
			Service Classification No. 1	Service Classification No. 2	Exempt and Self-Directing Customers	Adjusted Service Classification No. 2	Service Classification No. 4, 5 & 7	Exempt and Self-Directing Customers		Adjusted Service Classification No. 4, 5 & 7
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	
						[D] - [E]			[G] - [H]	
1	Apr	2024	16,436,932	8,937,827			4,524,696			1
2	May	2024	8,239,726	5,263,276			4,137,278			2
3	June	2024	6,633,707	3,216,955			3,689,140			3
4	July	2024	4,529,933	3,100,530			3,651,320			4
5	Aug	2024	4,526,240	3,079,457			3,774,168			5
6	Sept	2024	4,678,706	3,696,929			3,852,790			6
7	Oct	2024	12,180,775	7,103,598			3,628,048			7
8	Nov	2024	20,315,747	11,155,908			4,112,618			8
9	Dec	2024	31,453,912	16,276,872			4,382,245			9
10	Total		108,995,678	61,831,352	1,204,344	60,627,008	35,752,303	14,822,188	20,930,115	10

¹ Therms are adjusted to exclude exempt and self-directing customers not subject to Rider EOA.



Rider Energy Efficiency and On-Bill Financing Adjustment Annual Audit

**Prepared by Audit Services
July 16, 2024**

**Rider Energy Efficiency and On-Bill Financing Adjustment Annual Audit
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Rider Energy Efficiency and On-Bill Financing Adjustment Annual Audit

INTRODUCTION

A review of the Rider Energy Efficiency and On-Bill Financing Adjustment (Rider EOA) was performed by Audit Services. Rider EOA applies to both The Peoples Gas Light and Coke Company (PGL) and North Shore Gas Company (NSG), collectively referred to as the “Utilities”. The objective of this review was to verify the Utilities’ compliance with Rider EOA as required in the audit steps defined in the tariff. The Utilities are required to submit an internal audit report to the Illinois Commerce Commission (ICC) annually by August 1.

BACKGROUND

The Rider EOA adjustments recover expenses related to the Utilities’ energy efficiency and on-bill financing programs for a specific Calendar Year. The Rider EOA adjustments are comprised of two components, the Effective Component and the Reconciliation Adjustment. The Effective Component, billed from January to December, is a per-therm adjustment based on the budgeted expenses for the energy efficiency and on-bill financing programs for the current Calendar Year for each of the Utilities. The Reconciliation Adjustment, billed from April to December, is a per-therm adjustment used to reconcile the Effective Component revenues received to the actual energy efficiency and on-bill financing expenses for the prior Calendar Year.

Both Utilities determine separate Rider EOA adjustments for residential programs for Service Classifications (SC) No. 1 (Small Residential Service) and No. 2 (General Service). The Utilities also determine combined adjustments for commercial & industrial programs for SC No. 2, SC No. 4 (Large Volume Demand Service), SC No. 5 (Contract Service Electric Generation), SC No. 7 (Contract Service to Prevent Bypass), and SC No. 8 (PGL only – Compressed Natural Gas Service).

SCOPE

The scope of the audit included the Reconciliation Adjustment calculations and customer bills for Calendar Year 2023. The scope also included the Utilities’ Effective Component calculations for Calendar Year 2024.

To verify the accuracy of these calculations, we performed the steps required per Rider EOA. We verified:

- Expenses recovered through Rider EOA were not recovered through other approved tariffs,
- Rider EOA adjustments were properly billed to customers in the proper period,
- Rider EOA revenues were properly stated,
- Actual expenses were being identified and recorded properly to be reflected in the calculation of the Reconciliation Adjustment, and
- The percent increase in connection with gas service bills for the four-year reporting period for energy efficiency was within the statutory cap.

CONCLUSION

We determined the Effective Component calculation was accurate. During our review of the Reconciliation Adjustment we identified several invoicing errors, which resulted in an inaccurate allocation of expenses across the service classifications and a minor overbilling to PGL and NSG. Since the errors were not corrected prior to the Reconciliation Adjustment filed in March 2024, an adjustment may be necessary in a future Reconciliation Adjustment calculation.

We determined that Rider EOA expenses were not recovered through other approved tariffs, Rider EOA adjustments were properly billed to customers in the correct period, and Rider EOA revenues were properly stated in the correct general ledger accounts. In addition, the Utilities were in compliance with the 2% statutory cap.

Our recommendations are included below. All of our recommendations have been reviewed and agreed to by management. In addition, **Appendix A** is attached to detail the specific approach used to execute each of the testing steps. We thank all those involved in this audit for their assistance and support.

SUMMARY OF RECOMMENDATIONS

The following is a brief summary of our audit recommendations. Management has submitted a response and action plan addressing each of these recommendations, which is included in the “Audit Observations” section of this report.

- Determine if an adjustment will be made to a future Reconciliation Adjustment calculation to account for the identified expense adjustments (Observation 1, page 5).
- Coordinate with Franklin Energy and Guidehouse to review the invoicing process to identify incorrect rates and cost classifications across service classifications (Observation 1, page 5).

AUDIT OBSERVATIONS

1. Invoice Accuracy

Observation

Rider EOA expenses are recorded to specified Rider EOA general ledger accounts and WBS Cost Elements are used to classify an expense as either residential-SC No. 1 (SC1), residential-SC No. 2 (SC2), or commercial and industrial (C&I). To verify that invoices were supported and accurately recorded, we performed testing for three Rider EOA vendors. Franklin Energy Services, LLC (Franklin Energy), Erthe Energy (Erthe), and Guidehouse provide consulting services to facilitate the energy efficiency program on behalf of the Utilities. Calendar Year 2023 expenses were approximately \$27.0 million for Franklin Energy, \$2.7 million for Erthe, and \$1.3 million for Guidehouse out of \$32.3 million of total expenses related to Rider EOA.

We agreed Calendar Year 2023 invoices to supporting queries, including labor summaries, counts of direct install measures completed, and listings of incentive payments made. During our review of invoices, we noted the following exception related to Franklin Energy and Guidehouse invoices:

- Franklin Energy: 3 of 67 Weekly Incentive, and 4 of 40 Multi-Family Income Eligible, invoices contained incorrect categorization of costs across service classifications.
- Guidehouse: An incorrect rate was utilized to bill services for one consultant resulting in a net overbilling of \$2,740 and \$401 to PGL and NSG, respectively. The overbillings have since been corrected in an invoice during calendar year 2024.

The following table summarizes the impact of these errors.

	Under (Over) Statement of Expenses (in dollars)					
	PGL			NSG		
	Residential SC No.1	Residential SC No.2	Commercial & Industrial	Residential SC No.1	Residential SC No.2	Commercial & Industrial
Franklin Energy invoices	(\$92,035)	\$52,464	\$39,674	\$0	\$0	\$0
Guidehouse incorrect billing rate	(\$867)	(\$441)	(\$1,535)	(\$194)	(\$35)	(\$172)
Net Impact	(\$2,740)			(\$401)		

Risk/Opportunity

Incorrect invoices could result in inaccurate filings to the ICC and improper billings to customers.

Recommendations

- Determine if an adjustment will be made to a future Reconciliation Adjustment calculation to account for the identified expense adjustments.
- Coordinate with Franklin Energy and Guidehouse to review the invoicing process to identify incorrect rates and cost classifications across service classifications.

Management Action Plan

- If directed by the ICC in the Calendar Year 2023 Rider EOA reconciliation proceeding, Docket No. 23-0804, a Factor O adjustment shall be reflected in a subsequent Rider EOA filing.
- Energy Efficiency agrees with these findings and has amended invoice review and approval procedures to require additional oversight. The identified invoicing issues have been communicated to Franklin Energy, and Franklin Energy has agreed to validate invoice accuracy prior to submission to the Utilities through an internal quality review process on a weekly

basis. The Utilities will perform a quarterly review of categories and descriptions of roles in Scopes of Work for our vendors and their subcontractors to ensure accuracy of labor invoices.

Responsible Owners:

- Debra Egelhoff, Manager Regulatory Compliance & Advocacy
- Omayra Garcia, Manager Energy Efficiency Programs

Target Implementation Dates:

- May 31, 2025
- November 30, 2024

APPENDIX A

This Appendix provides additional details and results of the steps performed during the audit.

1. Accuracy of Effective Component Calculations

Annually, the Utilities are required to file an Effective Component based on the budgeted expenses for the energy efficiency and on-bill financing programs for that Calendar Year. In order to verify the accuracy of the Calendar Year 2024 Effective Component calculations filed on December 20, 2023, we compared the calculation spreadsheets to supporting documentation. We compared the budgeted expenses to those submitted to the ICC, and the forecasted terms to the Utilities' forecasting model and exempt customer extract. We also compared the formula used to calculate the Effective Component to the formula outlined in Rider EOA. During our review we identified a formula error which did not impact the calculated rates.

We determined the Calendar Year 2024 Effective Component calculations were accurate and in compliance with Rider EOA.

2. Accuracy of Reconciliation Adjustment Calculations

Annually, the Utilities are required to file a Reconciliation Adjustment, which reconciles the Effective Component revenues received to the actual energy efficiency and on-bill financing expenses for the Calendar Year. In order to verify the accuracy of the Calendar Year 2023 Reconciliation Adjustments filed on March 31, 2024, we compared the calculation spreadsheets to supporting documentation. We compared the Effective Component and Reconciliation Adjustment revenues to Business Warehouse revenue reports, the expenses to various invoice queries, and the forecasted terms to the Utilities' forecasting model and exempt customer extract. We also compared the formula used to calculate the Reconciliation Adjustments to the formula outlined in Rider EOA.

Other than the invoice errors noted in the Audit Observations section above, we determined the Calendar Year 2023 Reconciliation Adjustment calculations were accurate and in compliance with Rider EOA.

3. Accuracy of Rider EOA Adjustments and Expenses Not Recovered Through Other Approved Tariffs

The Utilities' customer information system (CIS) uses unique revenue codes to classify revenue which are then used to identify revenues for the Rider EOA calculations. We verified the total Rider EOA revenues included in the calculation agreed to the total Rider EOA revenues per the CIS for the months of January to December 2023. Based on our review, we determined the Rider EOA revenues were not recovered through other approved tariffs.

4. Accuracy of Rider EOA Adjustments on Customer Bills

To verify the accuracy of Rider EOA adjustments on customer bills, we recalculated the Rider EOA adjustment on 14 customer bills, including one bill for each Service Class 1 Heating and Non-Heating. We also verified that the rates were accurately entered into the CIS for the effective dates of January 1, 2024 and April 1, 2024. Based on our analysis, we concluded the CIS accurately calculated the Rider EOA adjustments on the customer bills.

5. Accuracy of Rider EOA Revenues Properly Recorded in Appropriate General Ledger Accounts

CIS revenue information was used to record Rider-related entries in SAP, the Utilities' general ledger system. To verify Rider EOA revenues were recorded in appropriate accounts in SAP, we compared the total Rider EOA revenues per the CIS to the balances in SAP for the period of January to December 2023. We determined revenues were recorded in the appropriate SAP accounts.

6. Accuracy of Four-Year Statutory Cap Calculation

Per Rider EOA, the cost of energy efficiency programs implemented in any multi-year reporting period shall be limited to an amount that limits the estimated average increase in connection with gas service to no more than 2% in the applicable four-year reporting period. Costs related to the on-bill financing program are excluded from the determination of the limitation.

Taking into account Calendar Year 2022-2023 actual expenses, and Calendar Years 2024-2025, Regulatory Affairs determined that total expenses over the four-year reporting period were within the 2% cap based on the Fourth Multiyear Program Plan budget. As such, both Utilities met the 2% statutory cap. We also determined the calculation of the statutory cap was accurate.

NORTH SHORE GAS Section 8-1038/8-104 (EEPS) Costs - Program Reconciliation
 Calendar 2023

Section 8-1038/8-104 (EEPS) Cost Category	NS-PGL Ex. 2.1: 2023 Actual Costs January 1 to December 31	Vendor Questionnaire Inadvertently Included in ICC Q4 Report	NS-PGL Ex. 1.1N: 2023 Actual Costs -adjusted to recover in Rider EOA RA rates filed March 31, 2024	2023 EOA Invoice Adjustments made after March 31, 2024 and not reflected in NS-PGL Ex. 1.1N or NS-PGL Ex. 2.2	2023 (AUDITED) Actual Costs YTD	
Source:	ICC Q4 Report Filed February 14, 2023 under ICC Docket 21-0159					
	[A]	[B]	[C]	[D] = Sum of [A] to [C]	[E]	[F] = [D] + [E]
Program Expenditures by Sector						
C&I Programs (private sector)	\$ 879,047			\$ 879,047		\$ 879,047
Public Sector Programs	\$ 437,292			\$ 437,292		\$ 437,292
Residential Programs	\$ 510,523			\$ 510,523		\$ 510,523
Income Qualified Programs	\$ 1,342,009			\$ 1,342,009		\$ 1,342,009
Market Development Initiative	\$ 109,250			\$ 109,250		\$ 109,250
Third Party Programs (Beginning in 2019)				\$ -		\$ -
Total North Shore Gas Program Costs	\$ 3,278,121	\$ -	\$ -	\$ 3,278,121	\$ -	\$ 3,278,121
Portfolio-Level Costs by Portfolio Cost Category (Section 8-1038/8-104 EEPS)						
Demonstration of Breakthrough/Equipment and Devices Costs	\$ 56,718			\$ 56,718		\$ 56,718
Market Transformation Programs	\$ 54,918			\$ 54,918		\$ 54,918
Evaluation Costs	\$ 164,839			\$ 164,839		\$ 164,839
Marketing Costs(including education and outreach)	\$ 146,849	\$ (1,781)		\$ 145,068		\$ 145,068
Portfolio Administrative Costs	\$ 412,439			\$ 412,439	\$ (401)	\$ 412,038
Total North Shore Gas Portfolio-Level Costs	\$ 835,743	\$ (1,781)	\$ -	\$ 833,962	\$ (401)	\$ 833,561
Total North Shore Gas Program and Portfolio-Level Section 8-1038/8-104 (EEPS) Costs	\$ 4,113,884	\$ (1,781)	\$ -	\$ 4,112,103	\$ (401)	\$ 4,111,702

Rider EOA reconciliation program expenses filed March 31, 2024- Exhibit 1.1N

	Energy Efficiency Expenses	On-Bill Financing Expenses	Total
page 2, col D, lines 4 and 18: SC. No. 1 Residential	\$ 1,347,143	\$ 64,346	\$ 1,411,489
page 3, col D, lines 4 and 18: SC. No. 2 Residential	\$ 428,293	\$ -	\$ 428,293
page 4, col D, lines 4: SC. No. 2, 4, 5, 7 Commercial and Industrial	\$ 2,272,321	\$ -	\$ 2,272,321
1 Calendar 2023 Energy Efficiency Program Costs-Exhibit 1.1N	\$ 4,047,757	\$ 64,346	\$ 4,112,103
2 NS-PGL Ex. 2.1: 2023 Actual Costs January 1 to December 31		\$ -	\$ 4,113,884
3 Vendor Questionnaire inadvertently included in ICC Q4 Report		\$ -	\$ (1,781)
4			
5			
6			
7 Sum of Line 2 to Line 6 - Calendar 2023 Energy Efficiency Program Costs-Exhibit 1.1N		\$ -	\$ 4,112,103
8 2023 EOA Invoice Adjustments made after March 31, 2024 and not reflected in NS-PGL Ex. 1.1N or NS-PGL Ex. 2.2		\$ -	(401)
9 Line 7 + Line 8 - Calendar 2023 Energy Efficiency Program Costs incurred		\$ -	4,111,702

North Shore Gas Company

North Shore Gas Energy Efficiency and On-Bill Financing Programs

**Program Year Revenues and Expenses
Eleventh Program Year (January 1, 2023 - December 31, 2023)**

Line No.	Month	Year	Expenses ¹				Revenues ²				RA1 Collections/(Refunds) ³				Line No.
			Service Classification No. 1	Service Classification No. 2	Service Classification Nos. 4, 5 & 7	Total	Service Classification No. 1	Service Classification No. 2	Service Classification Nos. 4, 5 & 7	Total	Service Classification No. 1	Service Classification No. 2	Service Classification Nos. 4, 5 & 7	Total	
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	
						[C]+[D]+[E]				[G]+[H]+[I]				[K]+[L]+[M]	
1	Residential Energy Efficiency														
2	Jan	2023	\$ 5,833.19	\$ 1,912.58	\$ -	\$ 7,745.77	267,124.12	36,928.83	-	304,052.95	3,997.36	6.71	-	4,004.07	
3	Feb	2023	\$ 60,828.33	23,711.75	-	84,540.09	250,847.53	30,344.44	-	281,191.97	13.80	14.10	-	27.90	
4	Mar	2023	\$ 83,746.77	28,817.62	-	112,564.39	219,409.26	31,067.60	-	250,476.86	(13.68)	0.26	-	(13.42)	
5	Apr	2023	\$ 94,661.39	31,401.63	-	126,063.02	126,592.96	15,599.69	-	142,192.65	(74,033.22)	(2,418.62)	-	(76,451.84)	
6	May	2023	\$ 83,926.61	38,491.22	-	122,417.83	83,209.28	10,218.41	-	93,427.69	(52,952.61)	(1,482.66)	-	(54,435.27)	
7	June	2023	\$ 65,964.83	27,160.32	-	93,125.16	55,627.01	6,220.33	-	61,847.34	(35,380.83)	(888.14)	-	(36,268.97)	
8	July	2023	\$ 65,658.83	46,272.74	-	111,931.57	40,894.26	5,453.12	-	46,337.38	(26,022.30)	(760.36)	-	(26,802.66)	
9	Aug	2023	\$ 78,437.26	32,001.99	-	110,439.25	32,742.21	5,195.42	-	37,937.63	(20,671.43)	(793.08)	-	(21,464.51)	
10	Sept	2023	\$ 87,367.26	30,362.81	-	117,730.07	37,902.20	6,150.66	-	44,052.86	(24,093.28)	(815.55)	-	(24,908.83)	
11	Oct	2023	\$ 288,918.02	31,310.11	-	320,228.13	93,552.16	13,604.11	-	107,156.27	(59,654.42)	(1,905.37)	-	(61,559.79)	
12	Nov	2023	\$ 109,216.79	29,297.21	-	138,514.00	169,856.59	21,905.74	-	191,762.33	(108,159.60)	(3,120.97)	-	(111,280.57)	
13	Dec	2023	\$ 122,681.97	46,962.42	-	169,644.39	219,927.61	25,509.92	-	245,437.53	(140,097.04)	(3,690.97)	-	(143,788.01)	
14	Adjustments		\$ 179,901.77	60,590.32	-	240,492.09	-	-	-	-	-	-	-	-	
15	Total - filed under Ex. 1.1P EOA RA rates		\$ 1,347,143.06	\$ 428,292.71	\$ -	\$ 1,775,435.76	\$ 1,597,675.19	\$ 208,198.27	\$ -	\$ 1,805,873.46	\$ (537,067.25)	\$ (15,874.65)	\$ -	\$ (552,941.90)	
16	Ex. 1.2 Adjustments from Audit Findings		\$ (194.00)	\$ (35.00)	\$ -	\$ (229.00)									
17	Total - adjusted for Audit findings		\$ 1,346,949.06	\$ 428,257.71	\$ -	\$ 1,775,206.76	\$ 1,597,675.19	\$ 208,198.27	\$ -	\$ 1,805,873.46	\$ (537,067.25)	\$ (15,874.65)	\$ -	\$ (552,941.90)	
														0	
18	Commercial and Industrial Energy Efficiency														
19	Jan	2023	-	-	\$ 6,462.21	-	262,050.60	39,655.87	301,706.47	-	359.13	(4,039.86)	-	(3,680.73)	
20	Feb	2023	-	-	36,576.54	-	215,248.24	17,271.67	232,519.91	-	(242.11)	-	-	(242.11)	
21	Mar	2023	-	-	131,220.36	-	220,437.25	35,580.79	256,018.04	-	33.17	-	-	33.17	
22	Apr	2023	-	-	101,837.39	-	110,682.45	31,334.42	142,016.87	-	(31,500.27)	(7,103.42)	-	(38,603.69)	
23	May	2023	-	-	126,924.51	-	72,569.18	6,515.45	79,084.63	-	(19,134.23)	(996.43)	-	(20,130.66)	
24	June	2023	-	-	192,465.18	-	44,194.33	44,246.88	88,441.21	-	(11,610.11)	(11,679.34)	-	(23,289.45)	
25	July	2023	-	-	250,413.01	-	38,776.73	33,032.48	71,809.21	-	(10,182.03)	(8,719.08)	-	(18,901.11)	
26	Aug	2023	-	-	122,209.75	-	37,249.12	36,710.24	73,959.36	-	(10,371.29)	(9,608.74)	-	(19,980.03)	
27	Sept	2023	-	-	139,452.74	-	43,247.46	31,859.68	75,107.14	-	(10,660.01)	(8,339.07)	-	(18,999.08)	
28	Oct	2023	-	-	146,895.73	-	96,488.23	35,851.02	132,339.25	-	(24,791.61)	(9,383.81)	-	(34,175.42)	
29	Nov	2023	-	-	213,145.98	-	155,407.94	35,509.43	190,917.37	-	(40,782.58)	(9,294.41)	-	(50,076.99)	
30	Dec	2023	-	-	331,952.30	-	181,185.05	37,733.76	218,918.81	-	(47,812.20)	(9,876.62)	-	(57,688.82)	
31	Adjustments		-	-	472,765.56	-	-	-	-	-	-	-	-	-	
32	Total - filed under Ex. 1.1P EOA RA rates		\$ -	\$ -	\$ 2,272,321.24	\$ -	\$ 1,477,536.58	\$ 385,301.69	\$ 1,862,838.27	\$ -	\$ (206,694.14)	\$ (79,040.78)	\$ -	\$ (285,734.92)	
33	Ex. 1.2 Adjustments from Audit Findings		\$ -	\$ -	\$ (172.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
34	Total - adjusted for Audit findings		\$ -	\$ -	\$ 2,272,149.24	\$ -	\$ 1,477,536.58	\$ 385,301.69	\$ 1,862,838.27	\$ -	\$ (206,694.14)	\$ (79,040.78)	\$ -	\$ (285,734.92)	
														0	
35	On-Bill Financing														
36	Jan	2023	\$ -	\$ -	\$ -	\$ -	8,813.34	-	8,813.34	\$ (110.63)	-	-	-	(110.63)	
37	Feb	2023	\$ 5,217.74	\$ -	\$ -	\$ 5,217.74	8,261.01	-	8,261.01	\$ (0.92)	-	-	-	(0.92)	
38	Mar	2023	\$ 5,161.32	\$ -	\$ -	\$ 5,161.32	7,223.25	-	7,223.25	\$ 0.44	-	-	-	0.44	
39	Apr	2023	\$ 404.88	\$ -	\$ -	\$ 404.88	4,160.60	-	4,160.60	\$ 0.16	-	-	-	0.16	
40	May	2023	\$ 398.56	\$ -	\$ -	\$ 398.56	2,494.34	-	2,494.34	\$ (0.92)	-	-	-	(0.92)	
41	June	2023	\$ 392.57	\$ -	\$ -	\$ 392.57	1,710.84	-	1,710.84	\$ 0.17	-	-	-	0.17	
42	July	2023	\$ 9,936.85	\$ -	\$ -	\$ 9,936.85	1,106.72	-	1,106.72	\$ (0.15)	-	-	-	(0.15)	
43	Aug	2023	\$ 14,831.19	\$ -	\$ -	\$ 14,831.19	861.22	-	861.22	\$ 2.48	-	-	-	2.48	
44	Sept	2023	\$ 5,600.50	\$ -	\$ -	\$ 5,600.50	910.11	-	910.11	\$ (2.94)	-	-	-	(2.94)	
45	Oct	2023	\$ 5,594.98	\$ -	\$ -	\$ 5,594.98	3,114.32	-	3,114.32	\$ (0.09)	-	-	-	(0.09)	
46	Nov	2023	\$ 5,644.63	\$ -	\$ -	\$ 5,644.63	5,651.42	-	5,651.42	\$ 1.58	-	-	-	1.58	
47	Dec	2023	\$ 5,584.25	\$ -	\$ -	\$ 5,584.25	7,250.73	-	7,250.73	\$ 1.64	-	-	-	1.64	
48	Adjustment		\$ 5,578.85	\$ -	\$ -	\$ 5,578.85	-	-	-	\$ -	-	-	-	-	
49	Total - filed under Ex. 1.1P EOA RA rates		\$ 64,346.32	\$ -	\$ -	\$ 64,346.32	\$ 51,557.90	\$ -	\$ 51,557.90	\$ (109.18)	\$ -	\$ -	\$ -	\$ (109.18)	
50	Ex. 1.2 Adjustments from Audit Findings		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
51	Total - adjusted for Audit findings		\$ 64,346.32	\$ -	\$ -	\$ 64,346.32	\$ 51,557.90	\$ -	\$ 51,557.90	\$ (109.18)	\$ -	\$ -	\$ -	\$ (109.18)	
														0	
			\$ 1,411,489.38	\$ 428,292.71	\$ -	\$ 4,112,103.33									
			\$ (194.00)	\$ (35.00)	\$ -	\$ (401.00)									
			\$ 1,411,295.38	\$ 428,257.71	\$ -	\$ 4,111,702.33									
			0.00	-	-	(0.00)									

Notes:

- 1 Represents factors EEXP for energy efficiency, and OEXP for On-Bill Financing, as defined in Rider EOA.
- 2 Represents factors EREV for energy efficiency, and OREV for On-Bill Financing, as defined in Rider EOA.
- 3 Represents factors ERA1 for energy efficiency, and ORA1 for On-Bill Financing, based on the prior year, as defined in Rider EOA.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)
)
 vs.)
)
 North Shore Gas Company)
 The Peoples Gas Light and Coke Company)
)
 Reconciliation of revenues collected)
 under Riders EOA with the actual costs)
 associated with energy efficiency and)
 on-bill financing programs)

Docket No. 23-0804

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DIRECT TESTIMONY
OF
CHRISTINA FRANK

1 **I. INTRODUCTION**

2 Q. Please state your name and business address.

3 A. My name is Christina Frank. My business address is 200 East Randolph,
4 Chicago, Illinois, 60601.

5 Q. By whom are you employed?

6 A. WEC Business Services LLC (“WBS”).

7 Q. What position do you hold?

8 A. I am the Director Energy Efficiency and C&I Customer Strategy

9 Q. What are your responsibilities in that position?

10 A. I am responsible for the administration of the North Shore Gas Company’s
11 (“North Shore”) and The Peoples Gas Light and Coke Company’s (“Peoples
12 Gas”) natural gas energy efficiency programs. I will sometimes refer to North
13 Shore Gas and Peoples Gas collectively as “the Utilities” or alternatively
14 NS/PGL. I manage our contractors and oversee energy savings results and
15 budget expenditures, manage program strategy and design to ensure results,
16 coordinate activities with neighboring utilities including joint programs with
17 Commonwealth Edison Company (“ComEd”), and interface with third-party
18 evaluators and the Illinois Stakeholder Advisory Group (“SAG”).

19 Q. Please summarize your educational background and experience.

20 A. I have a Bachelors degree in Political Science from the University of
21 Missouri. I have been working in the energy efficiency industry since 2007 and
22 during that time I have led energy efficiency program administration and

23 implementation of programs serving C&I, multi-family, residential and small
24 business customers. Prior to my current role with WBS, I held positions with a
25 non-profit organization and a consulting firm where I oversaw energy efficiency
26 program delivery and provided strategic direction and leadership to cross-
27 functional teams. Additionally I am currently serving on the Board of Directors for
28 the Midwest Energy Efficiency Alliance, a non-profit organization working to
29 advance energy efficiency in the Midwest.

30 Q. On whose behalf are you providing testimony?

31 A. I am testifying on behalf of North Shore Gas and Peoples Gas.

32 Q. What is the purpose of your testimony?

33 A. The purpose of my testimony is to: provide information about the Fourth
34 Energy Efficiency Plan (the "Plan") that the Utilities implemented pursuant to the
35 Illinois Commerce Commission's ("Commission") Order in Docket No. 21-0159,
36 describe the programs that the Utilities implemented in 2023, describe the costs
37 that the Utilities incurred during the 2023 reconciliation period, demonstrate that
38 the incurred programs were, in general, consistent with the approved Plan, and
39 the costs of those programs were properly incurred to ensure the Utilities work
40 toward achieving the Plan net therm savings goals. I also address an overview of
41 the on-bill financing ("OBF") program that the Commission approved in Docket
42 No. 10-0090. North Shore Gas and Peoples Gas witness Sam Addison
43 addresses North Shore Gas' and Peoples Gas' Rider EOA reconciliation
44 statements (NSG-PGL Ex. 1.0).

45 Q. Does your testimony have any attachments?

46 A. Yes. I am providing four attachments which breakout individual program
47 results as follows:

48 **NSG-PGL Exhibit 2.1** - North Shore Gas 2023 Quarter 4 ICC Report

49 **NSG-PGL Exhibit 2.2** - Peoples Gas 2023 Quarter 4 ICC Report

50 **NSG-PGL Exhibit 2.3** - North Shore Gas / Peoples Gas Net to Gross Values

51 NSG-PGL Exhibit 2.3 provides the North Shore Gas and Peoples Gas net-to-
52 gross (“NTG”) ratios from September 30, 2022 as updated through evaluation,
53 measurement, and verification (“EM&V”) findings from final 2021 third party
54 evaluation reports and the SAG consensus process.

55 **NSG-PGL Exhibit 2.4** provides a listing of the joint programs that North Shore
56 Gas and Peoples Gas implement in conjunction with Commonwealth Edison.

57 **Q. What is the reconciliation period for 2023?**

58 A. This reconciliation applies to the 2023 Program Year, January 1, 2023
59 through December 31, 2023, for the program approved by the Commission in its
60 final order in Docket No. 21-0159.

61 Q. Please summarize the conclusions from your testimony.

62 A. While I am not an attorney, I believe the costs incurred during 2023 for the
63 development and implementation of the Utilities’ energy efficiency program were
64 prudent and reasonable. The 2023 spending and corresponding program activity
65 continued activities in the Income Qualified and Public Sector programs and
66 achievement of them savings towards the Plan savings goals within the budgets
67 available. Note, while the Utilities’ compliance with the final order in Docket No.
68 21-0159 are based on achieving the savings goals for the Fourth Plan Period, for

69 planning and execution purposes, internal operational budgets and internal goals
70 for them savings are calculated annually. In 2023,

71 • Per the Fourth Quarter Report for 2023 (NSG Ex. 2.1), North Shore Gas
72 achieved 129% of the internal 2023 savings goal utilizing 98% of the 2023
73 annual budget.

74 • Per the Fourth Quarter Report for 2023 (PGL Ex. 2.2), Peoples Gas
75 achieved 102% of the internal 2023 savings goal utilizing 92% of the 2023
76 annual budget.

77 In 2023 the On Bill Financing (OBF) program provided 11 new loans and
78 continued 55 existing loans to Peoples Gas customers. In 2023 the OBF program
79 provided one new loan and continued 40 existing loans to North Shore Gas
80 customers.

81

82 **II. NORTH SHORE GAS COMPANY**
83 **A. ENERGY EFFICIENCY OVERVIEW**

84
85 Q. Please provide an overview of the Plan as described in the compliance
86 filing for North Shore Gas in Docket No. 21-0159.

87 A. The overriding objectives of the Plan are to achieve the savings goals as
88 approved in the final order in Docket No. 21-0159 in a cost-effective manner
89 while providing programs to residential, income eligible and business customers.
90 North Shore Gas designed flexible, scalable, best practice programs that allowed
91 for partnering with ComEd, the electric utility operating within the North Shore
92 Gas service territory, streamlining administration, and delivery while maximizing
93 customer participation. In the reconciliation period, the North Shore Gas portfolio

94 included three programs: 1) Residential Programs, 2) Business Programs, and 3)
95 Income Qualified Programs. Each program is addressed in detail later in my
96 testimony. The Plan also specified the budgets for support of EM&V; Research
97 and Development and Market Transformation; Market Development Initiative;
98 and the On Bill Financing program.

99 Q. Can the Plan be modified during the course of a Plan period?

100 A. Yes. Once the Plan is approved, North Shore Gas is allowed to make
101 appropriate changes in response to changing market conditions and other
102 factors. Those changes are discussed in quarterly reports filed in Docket No. 21-
103 0159 and, in certain cases, are brought to SAG for review.

104 Q. Were there changes to the TRM that had any impact on measures offered
105 in 2023?

106 A. There were 23 new measures added, and one measure retired, along with
107 updates to 119 other measures and nine Errata changes, for a total of 152
108 changes to the TRM, as summarized on Table 1.2, of section 1.2, of Volume 1 of
109 the Version 11 IL-TRM (approved by the Commission in Docket No. 22-0603).
110 Some of these changes impacted measure savings in the Peoples Gas and
111 North Shore Gas business, multi-family and single family residential programs.

112 Q. Does North Shore Gas participate in SAG?

113 A. Yes, pursuant to the final order in Docket No. 21-0159, North Shore Gas
114 and Peoples Gas participate in the SAG.

115 Q. You listed one Residential program North Shore Gas offered in 2023. Did
116 North Shore Gas incur any costs for Residential programs that were not
117 implemented in the reconciliation period?

118 A. No.

119 Q. You listed one Business program North Shore Gas offered in 2023. Did
120 North Shore Gas incur any costs for C&I programs that were not implemented in
121 the reconciliation period?

122 A. No.

123 Q. You listed one Income Qualified program North Shore Gas offered in
124 2023. Did North Shore Gas incur any costs for income eligible programs that
125 were not implemented in the reconciliation period?

126 A. No.

127 Q. What costs did North Shore Gas incur during the 2023 reconciliation period for
128 these programs?

129 A. A detailed breakdown of the costs, by category, is shown on NSG-PGL
130 Exhibit 2.1 - North Shore Gas 2023 Quarter 4 ICC Report. Costs are categorized
131 in the sections that follow and include the total North Shore Gas Energy
132 Efficiency Portfolio (“EEP”) costs. Costs are allocated into the following
133 categories:

134 (1) Administrative costs include time and expense associated with portfolio
135 oversight, management, and planning. These are costs required for overall
136 portfolio management that are not specifically tied to one program. Administrative
137 costs also include time and expense associated with SAG meetings and TRM

138 activities. 2023 total administrative costs were \$412,439 or 10% of North Shore
139 Gas total Utility EEP costs (NSG-PGL Exhibit 2.1, page 2).

140 (2) Non-incentive program costs includes program management, program
141 reporting, customer assistance, and quality control checks performed by energy
142 experts, call center operations, application processing and fulfillment, and
143 building and maintaining trade ally partnerships. Non-incentive costs also include
144 costs incurred for the Market Development Initiative research project, as defined
145 in the North Shore Gas stipulated agreement for Plan Four. 2023 total non-
146 incentive program costs were \$1,443,920 or 35% of North Shore Gas total Utility
147 EEP costs (NSG-PGL Exhibit 2.1, page 1).

148 (3) Marketing costs support those activities associated with program
149 outreach and portfolio awareness. They include brochures and other collateral
150 materials needed to support individual programs including application forms,
151 development and placement of advertisements and campaigns, website creation
152 and management, email newsletters, memberships, and subscriptions. 2023 total
153 marketing costs were \$146,849 or 4% of North Shore Gas total Utility EEP costs
154 (NSG-PGL Exhibit 2.1, page 2).

155 (5) Incentive costs refer to rebates that are paid to customers or
156 contractors to offset the costs of installed qualifying equipment. This line item is
157 titled "Incentive Costs" in NSG-PGL Exhibit 2.1. Rebates are an income transfer
158 cost from one party to another (i.e., program administrator to customer). 2023
159 total incentive costs comprised \$1,834,201 or 45% of North Shore Gas total
160 Utility EEP costs (NSG-PGL Exhibit 2.1, page 1).

161 (6) Evaluation costs (EM&V) are costs incurred for the impact and process
162 evaluations by an independent third party provider, referred to herein as the third
163 party evaluator. Performance of EM&V is a requirement under 220 ILCS 5/8-
164 104(f) (8). This line item is titled "Evaluation Costs" in the Plan. 2023 total EM&V
165 costs were \$164,839 or 4% of North Shore Gas total Utility EEP costs (NSG-PGL
166 Exhibit 2.1, Page 2).

167 Q. What are the total costs for the 2023 reconciliation period?

168 A. The total North Shore Gas EEP costs for the reconciliation period are
169 \$4,113,884.

170 Q. What are the total therm savings associated with the North Shore Gas
171 program in 2023?

172 A. Total net therm savings for North Shore Gas' Utility EEP Programs in
173 2023 are 1,968,266 pending final third party evaluation results. NSG-PGL
174 Exhibit 2.1.

175 Q. Please describe the TRM that you used in your calculations and that you
176 reference in your testimony.

177 A. TRM version 11 dated September 22, 2022 with an effective date of
178 January 1, 2023, as approved by the Commission in its final order in Docket No.
179 22-0603, was used in 2023.

180 Q. What is the basis for the therm savings?

181 A. Savings are based on third party evaluator's 2023 deemed net-to-gross
182 values and evaluated realization rates for each program offered. This is
183 consistent with the prior requirements of the Commission's Orders in Docket

184 Nos. 12-0528 and 13-0077, the most recent Commission final order on the TRM
185 applicable to 2023 in Docket No. 22-0603 and consensus in the SAG process.
186 NSG-PGL Exhibit 2.3, which lists these values by program and describes their
187 application for 2023.

188 Q. Will these savings numbers be adjusted in the future for 2023?

189 A. Yes. The savings values for 2023 will be retroactively adjusted to
190 correspond with finalized 2023 evaluation reports in accordance with the Utilities'
191 interpretation of the Commission's Order and input from SAG; specifically, the
192 realization rates by program.

193 **B. RESIDENTIAL PROGRAMS**

194 Q. What are the Residential Programs?

195 A. The Residential Programs contain two offerings: Single Family and Multi-
196 Family. Within the Single Family offering, residential customers are provided
197 access to energy efficiency via two paths – Home Energy Rebates and Home
198 Energy Assessments. Home Energy Rebates offers rebates on energy-efficient
199 heating, ventilation, air conditioning and water heating equipment and qualifying
200 weatherization projects. Home Energy Assessments offers energy-saving
201 products installed in homes at no-cost to the customer. The Home Energy
202 Assessment program is a joint program offering provided in partnership with
203 ComEd. Homeowners can reduce their energy and water use with the installation
204 of products available to owners of single-family homes, two-flats, and individually
205 metered condos and townhomes. Renters are also eligible with permission from
206 their landlords. Offerings within the Multi-Family path include Multi-Family Energy

207 Savings, Prescriptive and Custom Rebates, and Partner Trade Ally programs.
208 The Multi-Family Energy Savings program is a joint program offering provided in
209 partnership with ComEd. The program offers free direct installation of energy-
210 saving measures for multi-family buildings. Prescriptive rebates are standard
211 incentive amounts for common types of energy efficiency measures. Custom
212 incentives are awarded for the non-standard technologies or for projects that do
213 not include a one-for-one replacement. The Partner Trade Ally offering is
214 provided in partnership with select trade allies who have been vetted by the
215 program.

216 Q. What are the total costs that North Shore Gas incurred in connection with
217 these programs during the reconciliation period?

218 A. Total costs incurred for the Residential Programs in 2023 were \$510,523.
219 NSG-PGL Exhibit 2.1, page 1.

220 Q. Were the costs reasonable?

221 A. Yes. The Residential Programs achieved 117% of the annual savings goal
222 using 104% of the 2023 Residential Program budget

223 Q. What were the therm savings from the Residential Programs during the
224 reconciliation period?

225 A. Preliminary therm savings from the Residential Programs were 330,841
226 net therms.

227 NSG-PGL Exhibit 2.1, page 1.

228 **C. BUSINESS PROGRAMS**

229 Q. What is the Small and Midsize Business Program?

230 A. The Small and Midsize Business Program offers free energy assessments
231 and free direct installation of energy saving measures to qualifying customers via
232 program energy advisors. Additional recommended energy saving measures are
233 installed by trade allies, who leverage program rebates to reduce project costs.
234 Customers with North Shore Gas rate Service Class 2 accounts, that use less
235 than 400,000 therms per year, are eligible to participate in this program.

236 Q. What are the total costs that North Shore Gas incurred in connection with
237 this program during the reconciliation period?

238 A. North Shore Gas incurred \$309,258 for this program during the
239 reconciliation period. NSG-PGL Exhibit 2.1, Page 1.

240 Q. Were the costs reasonable?

241 A. Yes. The Small and Midsize Business Program achieved 104% of its
242 therm savings goal, utilizing 102% of the program budget. NSG-PGL Exhibit 2.1,
243 Page 1.

244 Q. What were the therm savings from the Small Business Program during the
245 reconciliation period?

246 A. Preliminary therm savings from the Small Business Program were
247 206,747 therms. NSG-PGL Exhibit 2.1, page 1.

248 Q. What is the C&I Program?

249 A. The Commercial & Industrial (C&I) Program offers several paths for C&I
250 customers with North Shore Gas' rate Service Class 2 or larger accounts. These
251 paths include Prescriptive and Custom Rebates, New Construction Rebates, Gas
252 Optimization Studies, Retro-commissioning, Engineering Studies, Smart Check

253 Studies, Staffing Grants, and Strategic Energy Management. Each path is
254 described briefly below.

255 Prescriptive rebates are provided for common types of energy efficiency
256 measures in C&I buildings, including demand control ventilation, steam trap
257 testing and repairs, boiler tune-ups, and pipe insulation. Custom rebates are
258 available to customers with energy saving projects outside the prescriptive
259 rebates and with variables that can affect the savings of those projects. Custom
260 rebates may include boiler and burner retrofits and replacements, heat
261 exchangers, heat recovery (blow down and economizers), as well as pipe
262 insulation. Gas Optimization Studies provide customers with an analysis of
263 energy-using systems to help identify no- and low-cost improvements to achieve
264 natural gas savings in C&I buildings. New Construction is offered in partnership
265 with ComEd and rebates provide incentives for new construction projects that
266 surpass the region's building codes to improve energy efficiency. Retro-
267 commissioning offers a full-building tune-up through a systematic evaluation of
268 mechanical and electrical systems to help facilities perform optimally and is
269 offered in partnership with ComEd. Engineering Studies provide an analysis of a
270 single system within a facility's operations to support implementation of a natural
271 gas saving project. Staffing Grants offer up to \$50,000 per customer per year to
272 fund a project manager to guide projects to completion for customers who have
273 energy efficiency projects that cannot be completed due to lack of staff time or
274 availability. Lastly, the Strategic Energy Management program engages
275 customers to deliver a continuous improvement approach to energy efficiency by

276 engaging site management, leveraging data, and by promoting best practices at
277 the site. New Construction and Retro-commissioning are offered in partnership
278 with ComEd.

279 Q. What are the total costs that North Shore Gas incurred in connection with
280 this program during the reconciliation period?

281 A. North Shore Gas incurred \$569,789 for the C&I Program during the
282 reconciliation period. NSG-PGL Exhibit 2.1, page 1.

283 Q. Were the costs reasonable?

284 A. Yes. The program reached 102% of its annual therm savings goal using
285 60% of its 2023 budget.

286 Q. What were the therm savings from the C&I Program during the
287 reconciliation period?

288 A. Preliminary net natural gas savings from the C&I Program were 679,029
289 therms. NSG-PGL Exhibit 2.1, page 1.

290 Q. What is the Public Sector Program?

291 A. The Public Sector Program offers the same exact paths as the C&I
292 program but targets Public Sector customers as defined by Future Energy Jobs
293 Act (FEJA, Public Act 99-0906) which includes local government, municipal
294 corporations, school districts, and community college districts. See above C&I
295 section for program descriptions for Public Sector customers.

296 Q. What are the total costs that North Shore Gas incurred in connection with
297 this program during the reconciliation period?

298 A. North Shore Gas incurred \$437,292 for the Public Sector Program during
299 the reconciliation period. NSG-PGL Exhibit 2.1, page 1.

300 Q. Were the costs reasonable?

301 A. Yes. The program reached 115% of its 2023 therm savings goal using
302 87% of its 2023 budget.

303 Q. What were the therm savings from the Public Sector Program during the
304 reconciliation period?

305 A. Preliminary net natural gas savings from the Public Sector Program were
306 276,664 therms. NSG-PGL Exhibit 2.1, page 1.

307

308 **D. INCOME QUALIFIED PROGRAMS**

309 Q. What are the Income Qualified Programs?

310 A. Income Eligible Programs target the underserved income eligible market,
311 providing services designed to make it easy for single-family and multi-family
312 income eligible customers to take advantage of cost-effective energy saving
313 retrofits. Within the Income Eligible Programs, there are paths for single-family
314 and multi-family customers. Within Single Family, North Shore Gas offers Home
315 Energy Assessment, Home Energy Savings Retrofits, and the Illinois Home
316 Weatherization Assistance Program (IHWAP). IHWAP Weatherization services
317 are provided to low-income residents through local community action agencies or
318 not for profit agencies. IHWAP leverages state and federal funds to supplement
319 incentives from the utility programs. Home Energy Assessment offers energy-
320 saving products installed in homes at no-cost to the customer. The Home Energy

321 Assessment program is a joint program offering provided in partnership with
322 ComEd. Homeowners can reduce their energy and water use with the installation
323 of products available to owners of single-family homes, two-flats, and individually
324 metered condos and townhomes. Renters are also eligible with permission from
325 their landlords. Home Energy Retrofits offers direct install products and no-cost
326 weatherization services for Income-Eligible Single-Family home customers. It is
327 delivered jointly with ComEd through approved agencies or partners. Within
328 Multi-Family programs, North Shore Gas offers Income Eligible Multi-family
329 Savings Program, Public Housing Energy Savings, Multi-family Income Eligible
330 Partner Trade Ally, and Income Eligible Kits programs. The Income Eligible Multi-
331 family Savings program provides building owners with free technical assistance
332 to identify energy efficiency opportunities and install measures. Expenses are
333 fully covered by the program, from the direct installation of energy efficiency
334 products into tenants' units (light bulbs, aerators, showerheads, etc.), to common
335 area measures, and more extensive measures requiring building owner co-pay.
336 This program is a joint offering in partnership with ComEd. The Public Housing
337 Energy Savings program offers prescriptive and custom rebates for gas
338 measures in housing owned by Public Housing Authorities. This program is a
339 joint program offering provided in partnership with ComEd. The Multi-family
340 Income Eligible Partner Trade Ally program is a program delivered by vetted
341 Partner Trade Allies. These Trade Allies are given higher rebate amounts to
342 serve geographically income-eligible customers with retrofit measures. Income
343 Eligible Kits provides income-qualified customers with a kit of energy efficiency

344 measures to self-install. The Income Eligible Kits are distributed by ground mail
345 to qualified customers vetted by the Low-Income Home Energy Assistance
346 Program (LIHEAP) and is provided in partnership with ComEd.

347 Q. What are the total costs that North Shore Gas incurred in connection with
348 these programs during the reconciliation period?

349 A. North Shore Gas incurred \$1,342,009 in costs for the Income Qualified
350 Programs during the reconciliation period. NSG-PGL Exhibit 2.1, page 1.

351 Q. What were the therm savings from the Income Qualified Programs during
352 the reconciliation period?

353 A. Preliminary net natural gas savings from the Income Qualified Programs
354 were 474,985 therms. NSG-PGL Exhibit 2.1, page 1.

355

356 **III. THE PEOPLES GAS LIGHT AND COKE COMPANY**
357 **A. ENERGY EFFICIENCY OVERVIEW**

358

359 Q. Please provide an overview of the Plan as described in the compliance
360 filing of Peoples Gas filed in Docket No. 21-0159.

361 A. The overriding objectives of this Plan are to achieve the savings goals as
362 approved in the final order in Docket No. 21-0159 in a cost-effective manner
363 while providing programs to residential, income eligible and business customers.
364 Peoples Gas designed flexible, scalable, best practice programs that allowed for
365 partnering with ComEd, the electric utility operating within the Peoples Gas
366 service territory, streamlining administration and delivery while maximizing
367 customer participation. In the reconciliation period, the Peoples Gas portfolio
368 included three programs: 1) Residential Programs, 2) Business Programs, and 3)

369 Income Qualified Programs. Each program is addressed in detail later in my
370 testimony. The Plan also specified the budgets for support of the EM&V;
371 Research and Development and Market Transformation; Market Development
372 Initiative; and the OBF program.

373 Q. Can the Plan be modified during the course of a Plan period?

374 A. Yes. Once the Plan is approved, Peoples Gas is allowed to make
375 appropriate changes in response to changing market conditions and other
376 factors. Those changes are discussed in quarterly reports filed in Docket No. 13-
377 0309 and, in certain cases, are brought to SAG for review.

378 Q. Did changes to the TRM have any impact on measures offered in 2023?

379 A. There were 23 new measures added, and one measure retired, along with
380 updates to 119 other measures and nine Errata changes, for a total of 152
381 changes to the TRM, as summarized on Table 1.2, of section 1.2, of Volume 1 of
382 the Version 11 IL-TRM (approved by the Commission in Docket No. 22-0603).
383 Some of these changes impacted measure savings in the Peoples Gas and
384 North Shore Gas business, multi-family and single family residential programs.

385 Q. Does Peoples Gas participate in SAG?

386 A. Yes, pursuant to the final order in Docket No. 21-0159, North Shore Gas
387 and Peoples Gas participate in the SAG.

388 Q. You listed one Residential program Peoples Gas offered in 2023. Did
389 Peoples Gas incur any costs for Residential programs that were not implemented
390 in the reconciliation period?

391 A. No.

392 Q. You listed one Business program Peoples Gas offered in 2023. Did
393 Peoples Gas incur any costs for Business programs that were not implemented
394 in the reconciliation period?

395 A. No.

396 Q. You listed one Income Qualified program Peoples Gas offered in 2023.
397 Did Peoples Gas incur any costs for Income Qualified programs that were not
398 implemented in the reconciliation period?

399 A. No.

400 Q. What costs did Peoples Gas incur during the 2023 reconciliation period for
401 these programs?

402 A. A detailed breakdown of the costs, by category, is shown on NSG-PGL
403 Exhibit 2.2 - Peoples Gas 2023 Quarter 4 ICC Report. Costs are categorized in
404 the sections that follow and include the total Peoples Gas EEP costs. The costs
405 are allocated into the following categories:

406 (1) Administrative costs include time and expense associated with portfolio
407 oversight, management, and planning. These are costs required for overall
408 portfolio management that are not specifically tied to one program. Administrative
409 costs also include time and expense associated with SAG meetings and TRM
410 activities. 2023 total administrative costs were \$1,762,370 or 6% of Peoples Gas
411 total Utility EEP costs (NSG-PGL Exhibit 2.2, page 2).

412 (2) Non-incentive costs include program management, program reporting,
413 customer assistance and quality control checks performed by energy experts,
414 call center operations, application processing and fulfillment, and building and

415 maintaining trade ally partnerships. Non-incentive costs also include costs
416 incurred for the Market Development Initiative research project, as defined in the
417 Peoples Gas stipulated agreement for Plan Four. 2023 total non-incentive costs
418 were \$9,143,920, or 32% of Peoples Gas total Utility EEP costs (NSG-PGL
419 Exhibit 2.2, page 1).

420 (3) Marketing costs support those activities associated with program
421 outreach and awareness. They include brochures and other collateral materials
422 needed to support individual programs including application forms, development
423 and placement of advertisements and campaigns, website creation and
424 management, email newsletters, memberships, and subscriptions. 2023 total
425 marketing costs were \$628,862, or 2% of Peoples Gas total Utility EEP costs
426 (NSG-PGL Exhibit 2.2, page 2).

427 (5) Incentive costs refer to rebates that are paid to customers or
428 contractors to offset the costs of installed qualifying equipment. This line item is
429 titled "Incentive Costs" in NSG-PGL Exhibit 2.2. Rebates are an income transfer
430 cost from one party to another (i.e., program administrator to customer). 2023
431 total incentive costs were \$14,940,988, or 53% of Peoples Gas total Utility EEP
432 costs (NSG-PGL Exhibit 2.2, page 1).

433 (6) EM&V costs are costs incurred for the impact and process evaluations
434 by an independent third party provider, referred to herein as the third party
435 evaluator. Performance of EM&V is a requirement under 220 ILCS 5/8-104(f)(8).
436 This line item is titled "Evaluation Costs" in the Plan. 2023 total EM&V costs were

437 \$1,169,024, or 4% of Peoples Gas total Utility EEP costs (NSG-PGL Exhibit 2.2,
438 page 2).

439 Q. What are the total costs for the 2023 reconciliation period?

440 A. The total Peoples Gas EEP costs that I address in my testimony for the
441 reconciliation period were \$28,231,254 NSG-PGL Exhibit 2.2, page 2.

442 Q. What are the total therm savings associated with the Peoples Gas
443 program in 2023?

444 A. Total net therm savings for Peoples Gas' Utility EEP Programs in 2023
445 were 9,917,359 pending final third party evaluation results. NSG-PGL Exhibit
446 2.2., page 1.

447 Q. Please describe the TRM that you used in your calculations and that you
448 reference in your testimony.

449 A. TRM Version 11 dated September 22, 2022 with an effective date of
450 January 1, 2023, as approved by the Commission in its final order in Docket No.
451 22-0603, was used in 2023.

452 Q. What is the basis for the therm savings?

453 A. Savings are based on third party evaluator's 2023 deemed net-to-gross
454 values and evaluated realization rates for each program offered. This is
455 consistent with the prior requirements of the Commission's Orders in Docket
456 Nos. 12-0528 and 13-0077, the most recent Commission final order on the TRM
457 applicable to 2023 in Docket No. 23-0603 and consensus in the SAG process.
458 NSG-PGL Exhibit 2.3, which lists these values by program and describes their
459 application for 2023.

460 Q. Will these savings numbers be adjusted in the future for 2023?

461 A. Yes. The savings values for 2023 will be retroactively adjusted to
462 correspond with finalized 2023 evaluation reports in accordance with the Utilities'
463 interpretation of the Commission's Order and input from SAG; specifically, the
464 realization rates by program.

465 **B. RESIDENTIAL PROGRAMS**

466 Q. What are the Residential Programs?

467 A. The Residential Programs contain two offerings: Single Family and Multi-
468 Family. Within the Single Family offering, residential customers are provided
469 access to energy efficiency via two paths – Home Energy Rebates and Home
470 Energy Assessments. Home Energy Rebates offers rebates on energy-efficient
471 heating, ventilation, air conditioning and water heating equipment and qualifying
472 weatherization projects. Home Energy Assessments offers energy-saving
473 products installed in homes at no-cost to the customer. The Home Energy
474 Assessment program is a joint program offering provided in partnership with
475 ComEd. Homeowners can reduce their energy and water use with the installation
476 of products available to owners of single-family homes, two-flats, and individually
477 metered condos and townhomes. Renters are also eligible with permission from
478 their landlords. Offerings within the Multi-Family path include Multi-Family Energy
479 Savings, Prescriptive and Custom Rebates, and Partner Trade Ally programs.
480 The Multi-Family Energy Savings program is a joint program offering provided in
481 partnership with ComEd. The program offers free direct installation of energy-
482 saving measures for multi-family buildings. Prescriptive rebates are standard

483 incentive amounts for common types of energy efficiency measures. Custom
484 incentives are awarded for the non-standard technologies or for projects that do
485 not include a one-for-one replacement. The Partner Trade Ally offering is
486 provided in partnership with select trade allies who have been vetted by the
487 program.

488 Q. What are the total costs that Peoples Gas incurred in connection with
489 these programs during the reconciliation period?

490 A. Total costs incurred for the Residential Programs in 2023 were
491 \$2,980,879. NSG-PGL Exhibit 2.2, page 1.

492 Q. Were the costs reasonable?

493 A. Yes. The Residential Programs achieved 89% of the annual savings goal
494 while using 88% of the annual program budget. NSG-PGL Exhibit 2.2, page 1.

495 Q. What were the therm savings from the Residential Programs during the
496 reconciliation period?

497 A. Preliminary therm savings from the Residential Programs were 1,451,072
498 net therms. NSG-PGL Exhibit 2.2, page 1.

499

500 **C. BUSINESS PROGRAMS**

501 Q. What is the Small and Midsize Business Program?

502 A. The Small and Midsize Business Program offers free energy assessments
503 and free direct installation of energy saving measures to qualifying customers via
504 program energy advisors. Additional recommended energy saving measures are
505 installed by trade allies, who leverage program rebates to reduce project costs.

506 Customers with Peoples Gas rate Service Class 2 accounts, that use less than
507 400,000 therms per year, are eligible to participate in this program.

508 Q. What are the total costs that Peoples Gas incurred in connection with this
509 program during the reconciliation period?

510 A. Peoples Gas incurred \$1,559,417 for this program during the
511 reconciliation period. NSG-PGL Exhibit 2.2, page 1.

512 Q. Were the costs reasonable?

513 A. Yes. The Small and Midsize Business Program achieved 121% of its
514 annual therm savings goal, utilizing 88% of the annual program budget. NSG-
515 PGL Exhibit 2.2, page 1.

516 Q. What were the therm savings from the Small and Midsize Business
517 Program during the reconciliation period?

518 A. Preliminary therm savings from the Small and Midsize Business Program
519 were 1,498,961 net therms. NSG-PGL Exhibit 2.2, page 1.

520 Q. What is the C&I Program?

521 A. The Commercial & Industrial (C&I) Program offers several paths for C&I
522 customers within Peoples Gas Service Class 2 or larger accounts. These paths
523 include Prescriptive and Custom Rebates, New Construction Rebates, Gas
524 Optimization Studies, Retro-commissioning, Engineering Studies, Smart Check
525 Studies, Staffing Grants, and Strategic Energy Management. Each path is
526 described briefly below.

527 Prescriptive rebates are provided for common types of energy efficiency
528 measures in C&I buildings, including demand control ventilation, steam trap

529 testing and repairs, boiler tune-ups, and pipe insulation. Custom rebates are
530 provided to customers with energy saving projects outside the prescriptive
531 rebates and with variables that can affect the savings of those projects such as
532 boiler and burner retrofits and replacements, heat exchangers, heat recovery
533 (blow down and economizers), as well as pipe insulation. Gas Optimization
534 Studies provide customers with an analysis of energy-using systems to help
535 identify no- and low-cost improvements to achieve natural gas savings in C&I
536 buildings. New Construction Rebates provide incentives for new construction
537 projects that surpass the region's building codes to improve energy efficiency.
538 Retro-commissioning offers a full-building tune-up through a systematic
539 evaluation of mechanical and electrical systems to help facilities to perform
540 optimally. Low-cost energy-saving operational improvements that can pay for
541 themselves in 18 months or less are identified. Engineering Studies provide an
542 analysis of a single system within a facility's operations to support
543 implementation of natural gas saving project. Staffing Grants offer up to \$50,000
544 per customer per year to fund a project manager to guide projects to completion
545 for customers who have energy efficiency projects that cannot be completed due
546 to lack of staff time or availability. Lastly, Strategic Energy Management engages
547 customers to deliver a continuous improvement approach to energy efficiency by
548 engaging site management, leveraging data, and by promoting best practices at
549 the site. New Construction and Retro-commissioning are offered in partnership
550 with ComEd.

551 Q. What are the total costs that Peoples Gas incurred in connection with this
552 program during the reconciliation period?

553 A. Peoples Gas incurred \$3,052,032 for the C&I Program during the
554 reconciliation period. NSG-PGL Exhibit 2.2, page 1.

555 Q. Were the costs reasonable?

556 A. Yes. The program reached 122% of its annual therm savings goal using
557 83% of its annual budget.

558 Q. What were the therm savings from the C&I Program during the 2023
559 reconciliation period?

560 A. Preliminary net natural gas savings from the C&I Program were 3,234,347
561 therms. NSG-PGL Exhibit 2.2, page 1.

562 Q. What is the Public Sector Program?

563 A. The Public Sector Program offers the same exact paths as the C&I
564 program but targets Public Sector customers as defined by Future Energy Jobs
565 Act (FEJA, Public Act 99-0906) which includes local government, municipal
566 corporations, school districts, and community college districts. See the above
567 C&I section for program descriptions for Public Sector customers.

568 Q. What are the total costs that Peoples Gas incurred in connection with this
569 program during the reconciliation period?

570 A. Peoples Gas incurred \$2,600,076 for the Public Sector Program during
571 the reconciliation period. NSG-PGL Exhibit 2.1, page 1.

572 Q. Were the costs reasonable?

573 A. Yes. The program reached 63% of its 2023 therm savings goal using 76%
574 of the annual budget. NSG-PGL Exhibit 2.2, page 2.

575 Q. What were the therm savings from the Public Sector Program during the
576 reconciliation period?

577 A. Preliminary net natural gas savings from the Public Sector Program were
578 1,140,473 therms. NSG-PGL Exhibit 2.1, page 1.

579 **D. INCOME QUALIFIED PROGRAMS**

580 Q. What are the Income Qualified Programs?

581 A. Income Eligible Programs target the underserved income eligible market,
582 providing services designed to make it easy for single-family and multi-family
583 income eligible customers to take advantage of cost-effective energy saving
584 retrofits. Within the Income Eligible Programs, there are paths for single-family
585 and multi-family customers. Within Single Family, Peoples Gas offers Home
586 Energy Assessment, Home Energy Savings Retrofits, and the Illinois Home
587 Weatherization Assistance Program (IHWAP). IHWAP Weatherization services
588 are provided to low-income residents through local community action agencies or
589 not for profit agencies. IHWAP leverages state and federal funds to supplement
590 incentives from the utility programs. Home Energy Assessment offers energy-
591 saving products installed in homes at no-cost to the customer. The Home Energy
592 Assessment program is a joint program offering provided in partnership with
593 ComEd. Homeowners can reduce their energy and water use with the installation
594 of products available to owners of single-family homes, two-flats, and individually
595 metered condos and townhomes. Renters are also eligible with permission from

596 their landlords. Home Energy Retrofits offers direct install products and no-cost
597 weatherization services for Income-Eligible Single-Family home customers. It is
598 delivered jointly with ComEd through approved agencies or partners. Within
599 Multi-Family programs, Peoples Gas offers Income Eligible Multi-family Savings
600 Program, Public Housing Energy Savings, Multi-family Income Eligible Partner
601 Trade Ally, and Income Eligible Kits programs. The Income Eligible Multi-family
602 Savings program provides building owners with free technical assistance to
603 identify energy efficiency opportunities and install measures. Expenses are fully
604 covered by the program, from the direct installation of energy efficiency products
605 into tenants' units (light bulbs, aerators, showerheads, etc.), to common area
606 measures, and more extensive measures requiring building owner co-pay. This
607 program is a joint offering in partnership with ComEd. The Public Housing Energy
608 Savings program offers prescriptive and custom rebates for gas measures in
609 housing owned by Public Housing Authorities. This program is a joint program
610 offering provided in partnership with ComEd. The Multi-family Income Eligible
611 Partner Trade Ally program is a program delivered by vetted Partner Trade Allies.
612 These Trade Allies are given higher rebate amounts to serve geographically
613 income-eligible customers with retrofit measures. Income Eligible Kits provides
614 income-qualified customers with a kit of energy efficiency measures to self-
615 install. The Income Eligible Kits are distributed by ground mail to qualified
616 customers vetted by the Low-Income Home Energy Assistance Program
617 (LIHEAP) and is provided in partnership with ComEd.

618 Q. What are the total costs that Peoples Gas incurred in connection with
619 these programs during the reconciliation period?

620 A. Peoples Gas incurred \$13,287,465 for the Income Qualified Programs
621 during the reconciliation period. NSG-PGL Exhibit 2.2, page 1.

622 Q. What were the therm savings from the Income Qualified Programs during
623 the reconciliation period?

624 A. Preliminary net natural gas savings from the Income Eligible Programs
625 were 2,592,506 therms. NSG-PGL Exhibit 2.2, page 1.

626

627 **IV. OTHER PROGRAM IMPLEMENTATION MATTERS**

628 Q. How did NSG-PGL participate in SAG?

629 A. At least one NSG-PGL representative attended every SAG meeting during
630 2023. In addition to attending and participating in SAG meetings, the Utilities had
631 a representative fully participate in the development of the Illinois TRM. This
632 representative was also a participant in the SAG Technical Advisory Committee.
633 As noted above, the costs of these activities are classified as administrative
634 costs.

635 Q. Did the Utilities present to the SAG regarding the programs and overall
636 portfolio progress, successes, and challenges during 2023?

637 A. In addition to our participation in every SAG meeting, the Utilities provided
638 an update to the SAG each time an update was requested.

639 **V. ON BILL FINANCING**

640 Q. Please describe the Utilities' OBF programs.

641 A. Section 19-140 of the Public Utilities Act requires the Utilities to implement
642 an OBF program. Costs are recovered for the Utilities OBF programs through
643 residential, multi-family, and small business customers and cost recovery is
644 through the same mechanism as for the energy efficiency programs. The idea
645 behind the OBF program is to make it easier for consumers to invest in measures
646 to save energy by allowing customers to pay for the measure over time on their
647 monthly utility bill. Mirroring the requirements of the energy efficiency rebate
648 programs, eligible customers can finance high efficiency furnaces, boilers, and
649 weatherization measures through their utility bill.

650 Q. How did the Utilities determine qualifying measures under the OBF
651 program?

652 A. A measure screening tool is used.

653 Q. Why were some customers declined from participating?

654 A. Reasons for declining applications included bankruptcy, low credit scores,
655 and delinquency on current obligations.

656 Q. Did any customers default on payments during the reconciliation period?

657 A. There were no bankruptcies filed in 2023 for PGL and NSG.

658 Q. What were the total costs that the Utilities incurred during the
659 reconciliation period?

660 A. North Shore Gas incurred \$64,346.32 and Peoples Gas incurred \$83,126.54
661 for the OBF program during the reconciliation period. NSG-PGL Exhibit 1.1N,
662 page 5, line 45, column F and NSG-PGL 1.1P, page 5, line 45, column F,
663 respectively.

664 Q. What types of costs did the Utilities incur during the reconciliation period?

665 A. The types of costs incurred for OBF were for measure qualification and
666 coordination, financial institution costs, and EM&V.

667 Q. Were these costs reasonable?

668 A. Yes. The OBF program, both the law and the Commission-approved tariff,
669 include many requirements governing participation, including requirements
670 governing customers leaving the program. Preparing to offer and administering
671 the OBF program requires significant resources.

672 **VI. CONCLUSION**

673 Q. Does this complete your direct testimony?

674 A. Yes.

Statewide Quarterly Report Template
Tab 1: Ex Ante Results
Q4 2023

Background:
 *Definitions used within this template correspond to IL Energy Efficiency Policy Manual Version 2.0.
 *Footnotes have been added where clarifying information may be helpful.
 *See Section 6.6 of IL Energy Efficiency Policy Manual Version 2.0 for a full list of requirements for Program Administrator Quarterly Reports.

Instructions:
 **"Sector-level" refers to residential and commercial and industrial Programs pursuant to Section 8-103B and 8-104; and Third-Party Energy Efficiency Implementation Program pursuant to Section 8-103B(g)(4).
 *If a utility offers Demand Response, information should be listed separately in this table as a separate program.
 *If Program Administrators want to include historical spend information, they can do so. ICC Staff appreciates this information. However, providing historical spend data is not a requirement for Quarterly Reports; it is a requirement for Annual Reports.
 *For Program Costs Year to Date (YTD), each Program Administrator should include actual costs incurred from the beginning of the Program Year through the end of the applicable quarter, regardless of what Program Year the costs are associated with.
 *Program Administrators will also report information on low income, public sector, public housing, and market transformation consistent with Program delivery requirements of Sections 8-103B and 8-104 of the Act.
 *Program Administrators are encouraged to report public sector savings at the program-level, where available.
 *Program Administrators should add a footnote specifying if there are non-rider energy efficiency costs that are not reported in the Quarterly Reports.

North Shore Gas Ex Ante Results - Section 8-103B/8-104 (EEPS) Programs - Q4 2023

Section 8-103B/8-104 (EEPS) Program	Net Energy Savings Achieved (therms)	2023 Original Plan Savings Goal (therms)****	Approved Net Energy Savings Goal (therms)***	Implementation Plan Savings Goal (therms)	% Savings Achieved Compared to Implementation Plan Savings Goal	Program Costs YTD	Incentive Costs YTD	Non-Incentive Costs YTD	2023 Original Plan Budget*	2023 Approved Budget**	% of Costs YTD Compared to Approved Budget
Business Programs											
Commercial & Industrial Program (Includes Commercial Food Service)	679,029	717,562	800,937	666,221	102%	\$ 569,789	\$ 349,842	\$ 219,947	\$ 895,422	\$ 942,041	60%
Small Business	206,747	174,749	187,937	198,250	104%	\$ 309,258	\$ 119,556	\$ 189,702	\$ 336,449	\$ 302,553	102%
Public Sector	276,664	48,311	50,325	240,538	115%	\$ 437,292	\$ 187,999	\$ 249,293	\$ 359,724	\$ 503,869	87%
Business Programs Subtotal	1,162,440	940,622	1,039,199	1,105,009	105%	\$ 1,316,339	\$ 657,398	\$ 658,942	\$ 1,591,595	\$ 1,748,462	75%
<i>Business Programs - Private Sector Total</i>	885,775	892,311	988,873	864,471	102%	\$ 879,047	\$ 469,398	\$ 409,649	\$ 1,231,871	\$ 1,244,593	71%
<i>Business Programs - Public Sector Total</i>	276,664	48,311	50,325	240,538	115%	\$ 437,292	\$ 187,999	\$ 249,293	\$ 359,724	\$ 503,869	87%
Residential Programs											
Single Family	275,752	499,570	525,794	256,756	107%	\$ 411,660	\$ 273,306	\$ 138,354	\$ 974,668	\$ 412,056	100%
Multi-Family	55,089	82,118	84,426	24,986	220%	\$ 98,863	\$ 55,988	\$ 42,875	\$ 172,795	\$ 80,187	123%
Residential Programs Subtotal	330,841	581,688	610,220	281,742	117%	\$ 510,523	\$ 329,295	\$ 181,228	\$ 1,147,463	\$ 492,243	104%
Income Qualified Programs											
IHWAP-braided - Single Family	-	-	-	-	N/A	\$ 27,300	\$ -	\$ 27,300	N/A	\$ 27,264	N/A
IHWAP Utility-only - Single Family	N/A	-	-	N/A	N/A	-	N/A	N/A	N/A	N/A	N/A
Non-IHWAP - Single Family	63,849	-	-	97,833	N/A	\$ 256,037	\$ 139,220	\$ 116,817	N/A	\$ 318,383	N/A
<i>Single Family Subtotal</i>	63,849	57,997	61,364	97,833	65%	\$ 283,337	\$ 139,220	\$ 144,118	\$ 320,750	\$ 345,647	82%
IHWAP-braided - Multi-Family	-	-	-	-	N/A	\$ 795	\$ -	\$ 795	N/A	\$ 1,215	N/A
IHWAP Utility-only - Multi-Family	N/A	-	-	N/A	N/A	-	N/A	N/A	N/A	N/A	N/A
Non-IHWAP - Multi-Family	411,136	-	-	36,160	N/A	\$ 1,057,877	\$ 708,289	\$ 349,588	N/A	\$ 597,764	N/A
Gas-only-TA - Multi-Family	-	-	-	-	N/A	\$ -	\$ -	\$ -	N/A	\$ -	N/A
<i>Multi Family Subtotal</i>	411,136	30,553	31,708	36,160	1137%	\$ 1,058,672	\$ 708,289	\$ 350,383	\$ 275,561	\$ 598,979	177%
Income Qualified Programs Subtotal	474,985	88,550	93,073	133,993	354%	\$ 1,342,009	\$ 847,509	\$ 494,501	\$ 596,311	\$ 944,626	142%
Third Party Programs (Section 8-103B - Beginning in 2019)											
Third Party Programs (Section 8-103B - Beginning in 2019) Subtotal											
Demonstration of Breakthrough Equipment and Devices											
Research and Development and Market Transformation	-	1,453	1,470	0	N/A	-	N/A	N/A	N/A	N/A	N/A
Demonstration of Breakthrough Equipment and Devices Subtotal	-	1,453	1,470	-	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Market Development Initiative											
Market Development Initiative Subtotal	N/A	N/A	N/A	N/A	N/A	\$ 109,250	\$ -	\$ 109,250	\$ 100,000	\$ 153,482	71%
Overall Total North Shore Gas Section 8-103B/8-104 (EEPS) Programs	1,968,266	1,612,313	1,743,961	1,520,744	129%	\$ 3,278,121	\$ 1,834,201	\$ 1,443,920	\$ 3,435,369	\$ 3,338,813	98%

*Original Plan Budget refers to the budget contained in the approved EE Plan, which could be the original filed EE Plan or a compliance EE Plan.

**Approved Budget refers to the Program Administrator's current budget for this Program Year, that may have been modified in light of the flexibility policy. This may also be the Implementation Plan Budget.

***The Approved Net Energy Savings Goal refers to the most updated portfolio-level savings goal. In the case of Section 8-104 programs, the values in this column should match the Adjusted Energy Savings Goal contained in the Program Administrator's updated Adjustable Savings Goal Template.

****Original Plan Savings Goal refers to the original savings goal approved in the Commission's Final Order approving the EE Plan. For Section 8-104 programs, this value should match the Plan Energy Savings Goal set forth in the completed Adjustable Savings Goal Template.

Statewide Quarterly Report Template

Tab 2: Costs

Q4 2023

<p>Instructions: *For Program and Portfolio-Level Costs, each Program Administrator should include actual costs incurred from the beginning of the Program Year through the end of the applicable quarter, regardless of what Program Year the costs are associated with. *Program Administrators should add a footnote specifying if there are non-rider energy efficiency costs that are not reported in the Quarterly Reports.</p>
<p>Instructions: *"Sector-level" refers to residential and commercial and industrial Programs pursuant to Section 8-103B and 8-104; and Third-Party Energy Efficiency Implementation Program pursuant to Section 8-103B(g)(4). *If a utility offers Demand Response, information should be listed separately in this table as a separate program. *If Program Administrators want to include historical spend information, they can do so. ICC Staff appreciates this information. However, providing historical spend data is not a requirement for Quarterly Reports; it is a requirement for Annual Reports. *For Program Costs Year to Date (YTD), each Program Administrator should include actual costs incurred from the beginning of the Program Year through the end of the applicable quarter, regardless of what Program Year the costs are associated with. *Program Administrators will also report information on low income, public sector, public housing, and market transformation consistent with Program delivery requirements of Sections 8-103B and 8-104 of the Act. *Program Administrators are encouraged to report public sector savings at the program-level, where available. *Program Administrators should add a footnote specifying if there are non-rider energy efficiency costs that are not reported in the Quarterly Reports.</p>

North Shore Gas Section 8-103B/8-104 (EEPS) Costs - Q4 2023

Section 8-103B/8-104 (EEPS) Cost Category	2023 Actual Costs YTD
Program Expenditures by Sector	
C&I Programs (private sector)	\$ 879,047
Public Sector Programs	\$ 437,292
Residential Programs	\$ 510,523
Income Qualified Programs	\$ 1,342,009
Market Development Initiative	\$ 109,250
Third Party Programs (Beginning in 2019)	
Total North Shore Gas Program Costs	\$ 3,278,121
Portfolio-Level Costs by Portfolio Cost Category (Section 8-103B/8-104 EEPS)	
Research and Development - Demonstration of Breakthrough Equipment and Devices Costs	\$ 56,718
Market Transformation Programs	\$ 54,918
Evaluation Costs	\$ 164,839
Marketing Costs (including education and outreach)	\$ 146,849
Portfolio Administrative Costs	\$ 412,439
Total North Shore Gas Portfolio-Level Costs	\$ 835,763
Total North Shore Gas Program and Portfolio-Level Section 8-103B/8-104 (EEPS) Costs	\$ 4,113,884

Section 8-103B/8-104 (EEPS) Costs - Q4 2023

Overall Total Costs	2023 Actual Costs YTD	2023 Approved Budget	% of Costs YTD Compared to Approved Budget
Total North Shore Gas Program and Portfolio-Level Section 8-103B/8-104 (EEPS) Costs	\$ 4,113,884	\$ 4,202,338	98%

Statewide Quarterly Report Template
Tab 3: Historical Energy Saved
 Q4 2023

Instructions:
 *Each Program Administrator will fill out the historical "Energy Saved" table for Quarterly Reports. The "IL Department of Commerce Energy Saved" historical table may also be added to each utility's Quarterly Report.
 *Program Administrators are encouraged to provide source references for greater transparency.

North Shore Gas Section 8-103B/8-104 (EES) Energy Saved (therms) as of Q4 2023

Program Year	Evaluation Status (Ex Ante, Verified***, or ICC Approved)	Net Energy Savings Achieved (therms)	Original Plan Savings Goal** (therms)	Net Energy Savings Goal* (therms)	% of Net Energy Savings Goal Achieved****
EPY1- 6/1/08-5/31/09					
EPY2- 6/1/09-5/31/10					
EPY3- 6/1/10-5/31/11					
Electric Plan 1 Total	--	--	--	--	--
EPY4/GPY1- 6/1/11-5/31/12	ICC Approved	370,075	555,036	555,036	67%
EPY5/GPY2- 6/1/12-5/31/13	ICC Approved	1,011,467	1,110,072	1,110,072	91%
EPY6/GPY3- 6/1/13-5/31/14	ICC Approved	2,514,260	1,665,107	1,665,107	151%
Electric Plan 2/Gas Plan 1 Total	ICC Approved	3,895,802	3,330,215	3,330,215	117%
EPY7/GPY4- 6/1/14-5/31/15	Verified	2,071,497	1,401,317	1,401,317	148%
EPY8/GPY5- 6/1/15-5/31/16	Verified	1,899,591	1,407,703	1,407,703	135%
EPY9/GPY6- 6/1/16-12/31/17	Verified	1,531,692	1,369,034	2,181,433	70%
Electric Plan 3/Gas Plan 2 Total	--	5,502,780	4,178,054	4,990,453	110%
2018	Verified - 2/17/22	1,554,872	2,196,540	2,196,540	71%
2019	Verified - 2/17/22	2,216,396	1,941,718	1,918,175	116%
2020	Verified - 2/17/22	2,285,299	1,790,399	1,771,603	129%
2021	Verified - 10/11/22	2,591,449	1,931,439	1,933,162	134%
2018-2021 Plan Total		8,648,015	7,860,096	7,819,480	111%
2022	Ex Ante	1,656,048	1,664,853	1,700,148	97%
2023	Ex Ante	1,968,266	1,612,313	1,743,961	113%
2024	Ex Ante		1,504,589	1,626,548	0%
2025	Ex Ante		1,466,712	1,589,575	0%
2022-2025 Plan Total		3,624,314	6,248,466	6,660,232	54%

Footnotes:
 *Net Energy Savings Goal refers to the most updated portfolio-level savings goal. In the case of Section 8-104 programs, the values in this column should match the Adjusted Energy Savings Goal contained in the Program Administrator's updated Adjustable Savings Goal Template.
 **Original Plan Savings Goal refers to the original savings goal approved in the Commission's Final Order approving the EE Plan. For Section 8-104 programs, this value should match the Plan Energy Savings Goal set forth in the completed Adjustable Savings Goal Template.
 ***Verified savings refer to evaluator estimated savings that are intended to count toward compliance with a Program Administrator's energy savings goal. Verified savings generally utilize deemed net-to-gross ratios and IL-TRM algorithms, where applicable. See also the definition of 'savings verification' in the IL-TRM Policy Document.
 ****The % Net Energy Savings Achieved reflects the percent to the Adjusted Energy Savings Goal, which may vary from the Implementation Plan Savings Goal and percentage shown on Tab 1.

IL Department of Commerce and Economic Opportunity Energy Saved (therms)

Department	EPY1	EPY2	EPY3	EPY4/ GPY1	EPY5/ GPY2	EPY6/ GPY3	EPY7/ GPY4	EPY8/ GPY5	EPY9/ GPY6*
Net Savings Achieved (MWh or therms)	--	--	--	116,426	271,864	288,363	173,093	10,992	285,181
Evaluation Status (Ex Ante, Verified**, or ICC Approved)	--	--	--	ICC Approved	ICC Approved	ICC Approved	ICC Approved	ICC Approved	ICC Approved
Source	--	--	--	Docket 15-0298	Docket 15-0298	Docket 15-0298	DCEO Summary Impact	EPY7/GPY4 DCEO Cost Effectiveness	EPY9/GPY6 DCEO Cost Effectiveness

Footnotes:
 *Electric Program Year 9 (EPY9) and Gas Program Year 6 (GPY6) covers energy efficiency programs offered from June 1, 2016 to May 31, 2017.
 **Verified savings refer to evaluator estimated savings that are intended to count toward compliance with a Program Administrator's energy savings goal. Verified savings generally utilize deemed net-to-gross ratios and IL-TRM algorithms, where applicable. See also the definition of 'savings verification' in the IL-TRM Policy Document.

Statewide Quarterly Report Template
Tab 4: Historical Other - Environmental and Economic Impacts
 Q4 2023

Instructions:
 *Each Program Administrator should complete the Environmental and Economic Impacts table for Quarterly Reports.
 *Each Program Administrator should include a footnote to explain how performance metrics are derived (for example: the calculation for "Direct Portfolio Jobs.")

Instructions:
 *"Sector-level" refers to residential and commercial and industrial Programs pursuant to Section 8-103B and 8-104; and Third-Party Energy Efficiency Implementation Program pursuant to Section 8-103B(g)(4).
 *If a utility offers Demand Response, information should be listed separately in this table as a separate program.
 *If Program Administrators want to include historical spend information, they can do so. ICC Staff appreciates this information. However, providing historical spend data is not a requirement for Quarterly Reports; it is a requirement for Annual Reports.
 *For Program Costs Year to Date (YTD), each Program Administrator should include actual costs incurred from the beginning of the Program Year through the end of the applicable quarter, regardless of what Program Year the costs are associated with.
 *Program Administrators will also report information on low income, public sector, public housing, and market transformation consistent with Program delivery requirements of Sections 8-103B and 8-104 of the Act.
 *Program Administrators are encouraged to report public sector savings at the program-level, where available.
 *Program Administrators should add a footnote specifying if there are non-rider energy efficiency costs that are not reported in the Quarterly Reports.

Environmental and Economic Impacts for the North Shore Gas Service Territory as of Q4 2023

Performance Metrics (Equivalents)*	EPY1	EPY2	EPY3	EPY4/ GPY1	EPY5/ GPY2	EPY6/ GPY3	EPY7/ GPY4	EPY8/ GPY5	EPY9/ GPY6****	2018	2019	2020	2021	2022	2023	2024	2025
Net Energy Savings Achieved (therms)**				486,501	1,283,331	2,802,623	2,244,590	1,910,583	1,816,873	1,554,872	2,216,396	2,285,299	2,591,449	1,656,048	1,968,266		
Carbon reduction (tons)				2,574	6,790	14,829	11,876	10,109	9,613	7,346	10,733	11,272	12,898	8,762	10,414		
Cars removed from the road				547	1,442	3,148	2,521	2,146	2,041	1,560	2,319	2,435	2,805	1,888	2,317		
Acres of trees planted				3,362	8,868	19,366	15,510	13,202	12,554	8,646	14,017	14,720	15,802	10,369	12,419		
Number of homes powered for 1 year*^				297	784	1,711	1,370	1,167	1,109	880	1,239	1,301	1,553	1,104	1,313		
Direct Portfolio Jobs *****											9	12	11	10	12		
Income qualified homes served***									25	108	138	2,087	1,577	3,504	2,528		

Footnotes:

*Unless otherwise noted, performance metrics for carbon reduction, cars removed from the road, and acres of trees planted are derived from the U.S. EPA Greenhouse Gas Equivalencies Calculator:
 **This includes Sections 8-103, 8-103B, 8-104, and 16-111.5B savings achieved. In addition, this includes Illinois Department of Commerce and Economic Opportunity program savings achieved through May 31, 2017.
 ***To the extent the portfolio offers a low income program and tracks participation. Low income customers were previously served by the IL Department of Commerce and Economic Opportunity until May 31, 2017. Utilities began serving both low income and public sector customers on June 1, 2017.
 ****Electric Program Year 9 (EPY9) and Gas Program Year 6 (GPY6) covers energy efficiency programs offered from June 1, 2016 to December 31, 2017.
 *****Direct Portfolio Jobs will be updated at least once per year.
 *^Number of homes powered for 1 year is derived from the U.S. EPA Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Statewide Quarterly Report Template
Tab 6: Historical Costs
Q4 2023

Instructions:
 *Each Program Administrator will fill out the "Historical Energy Efficiency Costs" table for Quarterly Reports.
 *For Costs, each Program Administrator should include actual costs incurred from the beginning of the Program Year through the end of the applicable quarter or Program Year, regardless of what Program Year the costs are associated with. Costs include both Program and Portfolio-Level Costs as well as On-Bill Financing costs.
 *Program Administrators should add a footnote specifying if there are non-rider energy efficiency costs that are not reported in the Quarterly Reports.

North Shore Gas Service Territory Historical Energy Efficiency Costs as of Q4 2023

Program Year	Actual North Shore Gas EEPS Costs	Actual DCEO EEPS Costs	Total Actual EEPS Costs (North Shore Gas + DCEO)	Actual Section 16-111.5B Costs	Total Actual EEPS + Section 16-111.5B Costs
EPY1- 6/1/08-5/31/09	\$ -	\$ -	\$ -	\$ -	\$ -
EPY2- 6/1/09-5/31/10	\$ -	\$ -	\$ -	\$ -	\$ -
EPY3- 6/1/10-5/31/11	\$ -	\$ -	\$ -	\$ -	\$ -
Electric Plan 1 Total	\$ -	\$ -	\$ -	\$ -	\$ -
EPY4/GPY1- 6/1/11-5/31/12	\$ 1,000,041	\$ 273,915	\$ 1,273,956	\$ -	\$ 1,273,956
EPY5/GPY2- 6/1/12-5/31/13	\$ 2,413,861	\$ 534,455	\$ 2,948,316	\$ -	\$ 2,948,316
EPY6/GPY3- 6/1/13-5/31/14	\$ 5,349,947	\$ 700,570	\$ 6,050,517	\$ -	\$ 6,050,517
Electric Plan 2/Gas Plan 1 Total	\$ 8,763,849	\$ 1,508,940	\$ 10,272,789	\$ -	\$ 10,272,789
EPY7/GPY4- 6/1/14-5/31/15	\$ 3,201,124	\$ 866,273	\$ 4,067,397	\$ -	\$ 4,067,397
EPY8/GPY5- 6/1/15-5/31/16	\$ 3,084,511	\$ 762,187	\$ 3,846,698	\$ -	\$ 3,846,698
EPY9/GPY6- 6/1/16-12/31/17	\$ 6,107,762	\$ 722,450	\$ 6,830,212	\$ -	\$ 6,830,212
Electric Plan 3/Gas Plan 2 Total	\$ 12,393,397	\$ 2,350,910	\$ 14,744,307	\$ -	\$ 14,744,307
Program Year	Actual North Shore Gas EEPS Costs YTD	Approved North Shore Gas EEPS Budget	% of Costs YTD Compared to Approved Budget		
2018 - Verified 2/17/22	\$ 4,026,594	\$ 4,141,043	97%		
2019 - Verified 2/17/22	\$ 3,951,074	\$ 4,141,043	95%		
2020 - Verified 2/17/22	\$ 3,586,530	\$ 4,141,043	87%		
2021 - Verified 10/11/22	\$ 3,950,330	\$ 4,141,043	95%		
2018-2021 Plan Total	\$ 15,514,528	\$ 16,564,172	94%		
2022	\$ 3,342,408	\$ 4,098,601	82%		
2023	\$ 4,113,884	\$ 4,098,601	100%		
2024		\$ 4,098,601	0%		
2025		\$ 4,098,601	0%		
2022-2025 Plan Total	\$ 7,456,292	\$ 16,394,404	45%		

*The % of Costs YTD Compared to the Approved Budget reflects the percent to the Plan Budget, which may vary from the annual Approved Implementation Budget and percentage shown on Tab 1.

Statewide Quarterly Report Template
Tab 7: Historical Other - IQ Multi-Family Participation
Q4 2023

Instructions:
 *Each Program Administrator should complete the IQ Multi-Family Participation table for Quarterly Reports.
 *Gas-Only Program Administrator should complete the Trade-Ally-Driven IQ Multi-Family Participation table for Quarterly Reports

Instructions:
 Other to be completed by SAG

IQ Multi-Family Participation for the North Shore Gas Service Territory as of Q4 2023

Zip Code	2022		2023		2024		2025	
	Quantity of Buildings Served	Quantity of Apartment/Condo Units	Quantity of Buildings Served	Quantity of Apartment/Condo Units	Quantity of Buildings Served	Quantity of Apartment/Condo Units	Quantity of Buildings Served	Quantity of Apartment/Condo Units
60002	0	0	0	0				
60015	0	0	0	0				
60022	0	0	0	0				
60030	0	0	0	0				
60031	0	0	0	0				
60035	0	0	1	209				
60037	209	209	0	0				
60040	0	0	0	0				
60044	0	0	0	0				
60045	0	0	0	0				
60046	0	0	0	0				
60047	0	0	0	0				
60048	0	0	0	0				
60060	0	0	0	0				
60061	0	0	0	0				
60062	0	0	0	0				
60064	11	58	4	46				
60069	0	0	0	0				
60075	0	0	0	0				
60079	0	0	0	0				
60083	0	0	1	6				
60085	54	926	9	112				
60087	26	961	1	1				
60088	0	0	1	819				
60089	0	0	0	0				
60093	0	0	0	0				
60096	0	0	0	0				
60099	7	53	1	139				

IQ Trade-Ally-Driven Multi-Family Participation for the North Shore Gas Service Territory as of Q4 2023

Participation Metrics	2022	2023	2024	2025
Quantity of Buildings Served	0	0		
Quantity of (Apartment/Cond) Units Served	0	0		
Quantity of Buildings Assessed	0	0		
Quantity of Units Assessed	0	0		
Quantity of Buildings with Direct Installations Only	0	0		
Quantity of Units with Direct Installations Only	0	0		
Quantity of Buildings with Direct Installs and Major Meas	0	0		
Quantity of Units with Direct Installs and Major Measures	0	0		

Statewide Quarterly Report Template
Tab 8: Historical Other - IQ Participation, Measures, Health & Safety
 2023

Instructions:
 *Each Program Administrator should complete the tables for the Annual Reports.

Instructions:
 Other to be completed by SAG

IQ Program Participation for the North Shore Gas Service Territory in 2023

Zip Code	2022					2023				
	IQ - Quantity of Program Participants (Buildings)	IQ - Quantity of Whole Building Assessments	IQ - Quantity of DI Only Installations	IQ - Quantity of In-Unit Service Installations	IQ - Quantity of Major Measure Installations	IQ - Quantity of Program Participants (Buildings)	IQ - Quantity of Whole Building Assessments	IQ - Quantity of DI Only Installations	IQ - Quantity of In-Unit Service Installations	IQ - Quantity of Major Measure Installations
60002	8	0	4	4	0	3	0	3	0	0
60015	48	0	77	77	0	97	1	96	0	2
60022	4	0	26	26	0	18	0	18	0	0
60030	74	0	40	40	0	42	2	40	0	4
60031	653	0	57	57	0	46	1	45	0	0
60035	53	1	89	89	1	68	4	272	209	16
60037	209	1	179	179	0	0	0	0	0	0
60040	10	0	0	0	0	1	0	1	0	0
60044	19	0	21	21	0	17	2	15	0	5
60045	14	1	38	38	1	32	4	28	0	7
60046	35	0	27	27	0	20	0	20	0	0
60047	0	0	0	0	0	6	0	6	0	0
60048	27	0	42	42	0	30	0	30	0	0
60060	105	0	33	33	0	28	1	27	0	0
60061	55	0	59	59	0	0	0	0	0	0
60062	0	0	0	0	0	18	1	17	0	0
60064	208	12	52	52	3	17	3	45	31	3
60069	12	0	15	15	0	0	0	0	0	0
60075	0	0	0	0	0	0	0	0	0	0
60079	0	0	0	0	0	15	0	15	0	2
60083	31	0	18	18	0	73	5	67	0	8
60085	1,288	18	179	182	16	24	3	16	0	0
60087	217	3	125	125	4	36	1	37	1	1
60088	0	0	0	0	0	5	0	823	819	4
60089	26	0	38	38	0	5	0	5	0	4
60093	0	0	0	0	0	52	3	49	0	0
60096	32	0	5	5	0	0	0	0	0	0
60099	375	10	85	86	2	10	1	139	139	0

IQ Whole Building Retrofit Health & Safety Metrics for the North Shore Gas Service Territory in 2023

Health & Safety Metrics	2022	2023	2024	2025
Number of Properties Assessed - Single Family	7	32		
Number of Properties Assessed - Multi-Family	39	2		
Number of Properties with identified Health & Safety Issues	11	32		
Number of Properties deferred due to Health & Safety Issues	0	13		
Quantity of Properties with the following Health and Safety Issues Identified:				
Electrical Safety	0	1		
Natural Gas Safety	0	13		
Fire Safety	7	6		
Indoor Air Quality	7	20		
Other	4	6		

IQ Building Retrofit Materials Used for the North Shore Gas Service Territory in 2023

IQ Retrofit Materials Metrics	2022	2023	2024	2025
Quantity of Projects with the following predominant Insulation Materials:				
Insulation - Fiberglass	3	0		
Insulation - Cellulose	16	4		
Insulation - Spray Foam	5	0		
Insulation - Rigid Foam	3	0		
Pipe Insulation - Foam	0	0		
Pipe Insulation - Wool (Glass, Mineral)	0	0		
Pipe Insulation - Tape	0	0		
Insulation - Other	0	0		
Quantity of Projects with the following predominant Sealants/Caulks in general:				
General Sealant Material - Tape	0	0		
General Sealant Material - Mastic	0	0		
General Sealant Material - Latex	0	0		
General Sealant Material - Silicone	0	0		
General Sealant Material - Polyurethane	0	2		
General Sealant Material - Other	0	0		
Quantity of Projects with the following predominant Sealants/Caulks in HVAC Ductwork:				
HVAC Ductwork Sealant Material - Tape	0	0		
HVAC Ductwork Sealant Material - Mastic	0	0		
HVAC Ductwork Sealant Material - Latex	0	0		
HVAC Ductwork Sealant Material - Silicone	0	0		
HVAC Ductwork Sealant Material - Polyurethane	0	0		
HVAC Ductwork Sealant Material - Other	0	0		

Statewide Quarterly Report Template
 Tab 1: Ex Ante Results
 Q4 2023

Background:
 *Definitions used within this template correspond to IL Energy Efficiency Policy Manual Version 2.0.
 *Footnotes have been added where clarifying information may be helpful.
 *See Section 6.6 of IL Energy Efficiency Policy Manual Version 2.0 for a full list of requirements for Program Administrator Quarterly Reports.

Instructions:
 **"Sector-level" refers to residential and commercial and industrial Programs pursuant to Section 8-103B and 8-104; and Third-Party Energy Efficiency Implementation Program pursuant to Section 8-103B(g)(4).
 *If a utility offers Demand Response, information should be listed separately in this table as a separate program.
 *If Program Administrators want to include historical spend information, they can do so. ICC Staff appreciates this information. However, providing historical spend data is not a requirement for Quarterly Reports; it is a requirement for Annual Reports.
 *For Program Costs Year to Date (YTD), each Program Administrator should include actual costs incurred from the beginning of the Program Year through the end of the applicable quarter, regardless of what Program Year the costs are associated with.
 *Program Administrators will also report information on low income, public sector, public housing, and market transformation consistent with Program delivery requirements of Sections 8-103B and 8-104 of the Act.
 *Program Administrators are encouraged to report public sector savings at the program-level, where available.
 *Program Administrators should add a footnote specifying if there are non-rider energy efficiency costs that are not reported in the Quarterly Reports.

Peoples Gas Ex Ante Results - Section 8-103B/8-104 (EEPS) Programs - Q4 2023

Section 8-103B/8-104 (EEPS) Program	Net Energy Savings Achieved (therms)	2023 Original Plan Savings Goal (therms)****	Approved Net Energy Savings Goal (therms)***	Implementation Plan Savings Goal (therms)	% Savings Achieved Compared to Implementation Plan Savings Goal	Program Costs YTD	Incentive Costs YTD	Non-Incentive Costs YTD	2023 Original Plan Budget*	2023 Approved Budget**	% of Costs YTD Compared to Approved Budget
Business Programs											
Commercial & Industrial Program (Includes Commercial Food Service)	3,234,347	1,973,897	2,125,504	2,652,166	122%	\$ 3,052,032	\$ 1,723,727	\$ 1,328,305	\$ 3,107,128	\$ 3,657,709	83%
Small Business	1,498,961	1,458,059	1,656,708	1,240,157	121%	\$ 1,559,417	\$ 566,546	\$ 992,872	\$ 2,309,129	\$ 1,770,573	88%
Public Sector	1,140,473	534,270	622,268	1,806,720	63%	\$ 2,600,076	\$ 1,319,336	\$ 1,280,740	\$ 2,422,725	\$ 3,414,934	76%
Business Programs Subtotal	5,873,781	3,966,226	4,404,480	5,699,043	103%	\$ 7,211,526	\$ 3,609,609	\$ 3,601,917	\$ 7,838,982	\$ 8,843,216	82%
<i>Business Programs - Private Sector Total</i>	4,733,308	3,431,956	3,782,212	3,892,323	122%	\$ 4,611,450	\$ 2,290,273	\$ 2,321,177	\$ 5,416,257	\$ 5,428,282	85%
<i>Business Programs - Public Sector Total</i>	1,140,473	534,270	622,268	1,806,720	63%	\$ 2,600,076	\$ 1,319,336	\$ 1,280,740	\$ 2,422,725	\$ 3,414,934	76%
Residential Programs											
Single Family	628,642	990,340	1,047,726	700,056	90%	\$ 1,314,720	\$ 515,208	\$ 799,512	\$ 1,890,173	\$ 1,422,190	92%
Multi-Family	822,430	1,849,192	1,870,315	923,000	89%	\$ 1,666,159	\$ 1,051,138	\$ 615,021	\$ 2,759,933	\$ 1,977,189	84%
Residential Programs Subtotal	1,451,072	2,839,532	2,918,041	1,623,056	89%	\$ 2,980,879	\$ 1,566,346	\$ 1,414,533	\$ 4,650,106	\$ 3,399,379	88%
Income Qualified Programs											
IHWAP-braided - Single Family	46,348			61,765	N/A	\$ 572,579	\$ 500,208	\$ 72,370	N/A	\$ 572,420	N/A
IHWAP Utility-only - Single Family	N/A			N/A	N/A	-	N/A	N/A	N/A	N/A	N/A
Non-IHWAP - Single Family	1,207,448			1,177,239	N/A	\$ 4,755,045	\$ 3,484,912	\$ 1,270,133	N/A	\$ 4,715,461	N/A
<i>Single Family Subtotal</i>	1,253,796	798,616	832,033	1,239,004	101%	\$ 5,327,624	\$ 3,985,120	\$ 1,342,504	\$ 5,055,679	\$ 5,287,881	101%
IHWAP-braided - Multi-Family	11,973			13,300	N/A	\$ 453,161	\$ 450,149	\$ 3,012	N/A	\$ 691,992	N/A
IHWAP Utility-only - Multi-Family	N/A			N/A	N/A	-	N/A	N/A	N/A	N/A	N/A
Non-IHWAP - Multi-Family	1,326,738			1,115,290	N/A	\$ 7,432,134	\$ 5,329,764	\$ 2,102,370	N/A	\$ 7,050,098	N/A
Gas-only-TA - Multi-Family	-			35,000	N/A	\$ 74,547	\$ -	\$ 74,547	N/A	\$ 174,547	N/A
<i>Multi Family Subtotal</i>	1,338,710	859,555	880,762	1,163,590	115%	\$ 7,959,842	\$ 5,779,913	\$ 2,179,928	\$ 6,124,014	\$ 7,916,637	101%
Income Qualified Programs Subtotal	2,592,506	1,658,171	1,712,796	2,402,594	108%	\$ 13,287,465	\$ 9,765,033	\$ 3,522,432	\$ 11,179,693	\$ 13,204,518	101%
Third Party Programs (Section 8-103B - Beginning in 2019)											
Third Party Programs (Section 8-103B - Beginning in 2019) Subtotal											
Demonstration of Breakthrough Equipment and Devices											
Research and Development and Market Transformation	-	3,450	3,484	0	N/A	-	N/A	N/A	N/A	N/A	N/A
Demonstration of Breakthrough Equipment and Devices Subtotal	-	3,450	3,484	-		\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Market Development Initiative											
Market Development Initiative Subtotal	N/A	N/A	N/A	N/A	N/A	\$ 605,038	\$ -	\$ 605,038	\$ 700,000	\$ 805,778	75%
Overall Total Peoples Gas Section 8-103B/8-104 (EEPS) Programs	9,917,359	8,467,378	9,038,800	9,724,693	102%	\$ 24,084,908	\$ 14,940,988	\$ 9,143,920	\$ 24,368,781	\$ 26,252,891	92%

*Original Plan Budget refers to the budget contained in the approved EE Plan, which could be the original filed EE Plan or a compliance EE Plan.
 **Approved Budget refers to the Program Administrator's current budget for this Program Year, that may have been modified in light of the flexibility policy. This may also be the Implementation Plan Budget.
 ***The Approved Net Energy Savings Goal refers to the most updated portfolio-level savings goal. In the case of Section 8-104 programs, the values in this column should match the Adjusted Energy Savings Goal contained in the Program Administrator's updated Adjustable Savings Goal Template.
 ****Original Plan Savings Goal refers to the original savings goal approved in the Commission's Final Order approving the EE Plan. For Section 8-104 programs, this value should match the Plan Energy Savings Goal set forth in the completed Adjustable Savings Goal Template.

Statewide Quarterly Report Template
Tab 2: Costs
Q4 2023

Instructions:
 *For Program and Portfolio-Level Costs, each Program Administrator should include actual costs incurred from the beginning of the Program Year through the end of the applicable quarter, regardless of what Program Year the costs are associated with.
 *Program Administrators should add a footnote specifying if there are non-rider energy efficiency costs that are not reported in the Quarterly Reports.

Instructions:
 *"Sector-level" refers to residential and commercial and industrial Programs pursuant to Section 8-103B and 8-104; and Third-Party Energy Efficiency Implementation Program pursuant to Section 8-103B(g)(4).
 *If a utility offers Demand Response, information should be listed separately in this table as a separate program.
 *If Program Administrators want to include historical spend information, they can do so. ICC Staff appreciates this information. However, providing historical spend data is not a requirement for Quarterly Reports; it is a requirement for Annual Reports.
 *For Program Costs Year to Date (YTD), each Program Administrator should include actual costs incurred from the beginning of the Program Year through the end of the applicable quarter, regardless of what Program Year the costs are associated with.
 *Program Administrators will also report information on low income, public sector, public housing, and market transformation consistent with Program delivery requirements of Sections 8-103B and 8-104 of the Act.
 *Program Administrators are encouraged to report public sector savings at the program-level, where available.
 *Program Administrators should add a footnote specifying if there are non-rider energy efficiency costs that are not reported in the Quarterly Reports.

Peoples Gas Section 8-103B/8-104 (EEPS) Costs - Q4 2023

Section 8-103B/8-104 (EEPS) Cost Category	2023 Actual Costs YTD
Program Expenditures by Sector	
C&I Programs (private sector)	\$ 4,611,450
Public Sector Programs	\$ 2,600,076
Residential Programs	\$ 2,980,879
Income Qualified Programs	\$ 13,287,465
Market Development Initiative	\$ 605,038
Third Party Programs (Beginning in 2019)	
Total Peoples Gas Program Costs	\$ 24,084,908
Portfolio-Level Costs by Portfolio Cost Category (Section 8-103B/8-104 EEPS)	
Research and Development - Demonstration of Breakthrough Equipment and Devices Costs	\$ 297,768
Market Transformation Programs	\$ 288,322
Evaluation Costs	\$ 1,169,024
Marketing Costs (including education and outreach)	\$ 628,862
Portfolio Administrative Costs	\$ 1,762,370
Total Peoples Gas Portfolio-Level Costs	\$ 4,146,347
Total Peoples Gas Program and Portfolio-Level Section 8-103B/8-104 (EEPS) Costs	\$ 28,231,254

Section 8-103B/8-104 (EEPS) Costs - Q4 2023

Overall Total Costs	2023 Actual Costs YTD	2023 Approved Budget	% of Costs YTD Compared to Approved Budget
Total Peoples Gas Program and Portfolio-Level Section 8-103B/8-104 (EEPS) Costs	\$ 28,231,254	\$ 31,133,488	91%

Statewide Quarterly Report Template
 Tab 3: Historical Energy Saved
 Q4 2023

Instructions:
 *Each Program Administrator will fill out the historical "Energy Saved" table for Quarterly Reports. The "IL Department of Commerce Energy Saved" historical table may also be added to each utility's Quarterly Report.
 *Program Administrators are encouraged to provide source references for greater transparency.

Peoples Gas Section 8-103B/8-104 (EEPS) Energy Saved (therms) as of Q4 2023

Program Year	Evaluation Status (Ex Ante, Verified***, or ICC Approved)	Net Energy Savings Achieved (therms)	Original Plan Savings Goal** (therms)	Net Energy Savings Goal* (therms)	% of Net Energy Savings Goal Achieved****
EPY1- 6/1/08-5/31/09					
EPY2- 6/1/09-5/31/10					
EPY3- 6/1/10-5/31/11					
Electric Plan 1 Total	--	--	--	--	--
EPY4/GPY1- 6/1/11-5/31/12	ICC Approved	2,053,902	2,806,711	2,806,711	73%
EPY5/GPY2- 6/1/12-5/31/13	ICC Approved	8,127,906	5,613,423	5,613,423	145%
EPY6/GPY3- 6/1/13-5/31/14	ICC Approved	11,405,070	8,420,134	8,420,134	135%
Electric Plan 2/Gas Plan 1 Total	ICC Approved	21,586,878	16,840,268	16,840,268	128%
EPY7/GPY4- 6/1/14-5/31/15	Verified	10,209,732	7,585,865	7,585,865	135%
EPY8/GPY5- 6/1/15-5/31/16	Verified	8,015,976	7,476,068	7,476,068	107%
EPY9/GPY6- 6/1/16-12/31/17	Verified	10,526,904	7,246,748	11,584,548	91%
Electric Plan 3/Gas Plan 2 Total	--	28,752,612	22,308,681	26,646,481	108%
2018	Verified - 2/17/22	7,347,414	9,868,975	9,868,975	74%
2019	Verified - 2/17/22	10,073,462	9,505,670	9,291,954	108%
2020	Verified - 2/17/22	14,054,624	9,457,541	9,291,937	151%
2021	Verified - 10/11/23	11,273,139	9,493,167	9,375,596	120%
2018-2021 Plan Total		42,748,639	38,325,353	37,828,462	113%
2022	Ex Ante	9,064,409	8,907,711	9,084,005	100%
2023	Ex Ante	9,917,359	8,467,378	9,038,800	110%
2024	Ex Ante		7,825,528	8,348,387	0%
2025	Ex Ante		7,092,622	7,577,992	0%
2022-2025 Plan Total		18,981,768	32,293,240	34,049,184	56%

Footnotes:
 *Net Energy Savings Goal refers to the most updated portfolio-level savings goal. In the case of Section 8-104 programs, the values in this column should match the Adjusted Energy Savings Goal contained in the Program Administrator's updated Adjustable Savings Goal Template.
 **Original Plan Savings Goal refers to the original savings goal approved in the Commission's Final Order approving the EE Plan. For Section 8-104 programs, this value should match the Plan Energy Savings Goal set forth in the completed Adjustable Savings Goal Template.
 ***Verified savings refer to evaluator estimated savings that are intended to count toward compliance with a Program Administrator's energy savings goal. Verified savings generally utilize deemed net-to-gross ratios and IL-TRM algorithms, where applicable. See also the definition of 'savings verification' in the IL-TRM Policy Document.
 ****The % Net Energy Savings Achieved reflects the percent to the Adjusted Energy Savings Goal, which may vary from the Implementation Plan Savings Goal and percentage shown on Tab 1.

IL Department of Commerce and Economic Opportunity Energy Saved (therms)

Department	EPY1	EPY2	EPY3	EPY4/ GPY1	EPY5/ GPY2	EPY6/ GPY3	EPY7/ GPY4	EPY8/ GPY5	EPY9/ GPY6*
Net Savings Achieved (kWh or therms)	--	--	--	2,014,079	885,035	3,506,352	1,698,460	665,858	2,165,478
Evaluation Status (Ex Ante, Ex Post, or ICC Approved)	--	--	--	ICC Approved	ICC Approved	ICC Approved	ICC Approved	ICC Approved	ICC Approved
Source	--	--	--	Docket 15-0298	Docket 15-0298	Docket 15-0298	DCEO Summary Impact Evaluation Report EPY7-9 GPY4-6	EPY6-9/GPY4-6 DCEO Evaluation	EPY6-9/GPY4-6 DCEO Evaluation

Footnotes:
 *Electric Program Year 9 (EPY9) and Gas Program Year 6 (GPY6) covers energy efficiency programs offered from June 1, 2016 to May 31, 2017.
 **Verified savings refer to evaluator estimated savings that are intended to count toward compliance with a Program Administrator's energy savings goal. Verified savings generally utilize deemed net-to-gross ratios and IL-TRM algorithms, where applicable. See also the definition of 'savings verification' in the IL-TRM Policy Document.

Statewide Quarterly Report Template
Tab 4: Historical Other - Environmental and Economic Impacts
Q4 2023

Instructions:
 *Each Program Administrator should complete the Environmental and Economic Impacts table for Quarterly Reports.
 *Each Program Administrator should include a footnote to explain how performance metrics are derived (for example: the calculation for "Direct Portfolio Jobs.")

Instructions:
 **Sector-level" refers to residential and commercial and industrial Programs pursuant to Section 8-103B and 8-104; and Third-Party Energy Efficiency Implementation Program pursuant to Section 8-103B(g)(4).
 *If a utility offers Demand Response, information should be listed separately in this table as a separate program.
 *If Program Administrators want to include historical spend information, they can do so. ICC Staff appreciates this information. However, providing historical spend data is not a requirement for Quarterly Reports; it is a requirement for Annual Reports.
 *For Program Costs Year to Date (YTD), each Program Administrator should include actual costs incurred from the beginning of the Program Year through the end of the applicable quarter, regardless of what Program Year the costs are associated with.
 *Program Administrators will also report information on low income, public sector, public housing, and market transformation consistent with Program delivery requirements of Sections 8-103B and 8-104 of the Act.
 *Program Administrators are encouraged to report public sector savings at the program-level, where available.
 *Program Administrators should add a footnote specifying if there are non-rider energy efficiency costs that are not reported in the Quarterly Reports.

Environmental and Economic Impacts for the Peoples Gas Service Territory as of Q4 2023

Performance Metrics (Equivalents)*	EPY1	EPY2	EPY3	EPY4/ GPY1	EPY5/ GPY2	EPY6/ GPY3	EPY7/ GPY4	EPY8/ GPY5	EPY9/ GPY6****	2018	2019	2020	2021	2022	2023	2024	2025
Net Energy Savings Achieved (therms)**				4,067,981	9,012,941	14,911,422	11,908,192	8,681,834	12,692,382	7,347,414	10,073,462	14,054,624	11,273,139	9,064,409	9,917,359		
Carbon reduction (tons)				21,524	47,687	78,896	63,006	45,936	67,155	35,591	51,002	72,330	58,705	47,960	52,473		
Cars removed from the road				4,570	10,125	16,751	13,377	9,753	14,258	7,557	11,019	15,633	12,767	10,334	11,677		
Acres of trees planted				28,109	62,278	103,035	82,283	59,990	87,702	41,888	66,606	94,498	71,923	56,757	62,575		
Number of homes powered for 1 year*^				2,484	5,503	9,104	7,271	5,301	7,749	4,262	5,885	8,350	7,069	6,041	6,613		
Direct Portfolio Jobs *****											59	83	79	67	71		
Income qualified homes served***									668	1,327	4,724	22,395	19,223	59,602	39,989		

Footnotes:

*Unless otherwise noted, performance metrics for carbon reduction, cars removed from the road, and acres of trees planted are derived from the U.S. EPA Greenhouse Gas Equivalencies Calculator:
 **This includes Sections 8-103, 8-103B, 8-104, and 16-111.5B savings achieved. In addition, this includes Illinois Department of Commerce and Economic Opportunity program savings achieved through May 31, 2017.
 ***To the extent the portfolio offers a low income program and tracks participation. Low income customers were previously served by the IL Department of Commerce and Economic Opportunity until May 31, 2017. Utilities began serving both low income and public sector customers on June 1, 2017.
 ****Electric Program Year 9 (EPY9) and Gas Program Year 6 (GPY6) covers energy efficiency programs offered from June 1, 2016 to December 31, 2017.
 *****Direct Portfolio Jobs will be updated at least once per year.
 *^Number of homes powered for 1 year is derived from the U.S. EPA Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Statewide Quarterly Report Template
Tab 6: Historical Costs
Q4 2023

Instructions:
 *Each Program Administrator will fill out the "Historical Energy Efficiency Costs" table for Quarterly Reports.
 *For Costs, each Program Administrator should include actual costs incurred from the beginning of the Program Year through the end of the applicable quarter or Program Year, regardless of what Program Year the costs are associated with. Costs include both Program and Portfolio-Level Costs as well as On-Bill Financing costs.
 *Program Administrators should add a footnote specifying if there are non-rider energy efficiency costs that are not reported in the Quarterly Reports.

Peoples Gas Service Territory Historical Energy Efficiency Costs as of Q4 2023

Program Year	Actual Peoples Gas EEPS Costs	Actual DCEO EEPS Costs	Total Actual EEPS Costs (Peoples Gas + DCEO)	Actual Section 16-111.5B Costs	Total Actual EEPS + Section 16-111.5B Costs
EPY1- 6/1/08-5/31/09	\$ -	\$ -	\$ -	\$ -	\$ -
EPY2- 6/1/09-5/31/10	\$ -	\$ -	\$ -	\$ -	\$ -
EPY3- 6/1/10-5/31/11	\$ -	\$ -	\$ -	\$ -	\$ -
Electric Plan 1 Total	\$ -	\$ -	\$ -	\$ -	\$ -
EPY4/GPY1- 6/1/11-5/31/12	\$ 4,720,309	\$ 2,338,766	\$ 7,059,075	\$ -	\$ 7,059,075
EPY5/GPY2- 6/1/12-5/31/13	\$ 17,413,390	\$ 3,068,743	\$ 20,482,133	\$ -	\$ 20,482,133
EPY6/GPY3- 6/1/13-5/31/14	\$ 20,982,409	\$ 7,309,465	\$ 28,291,874	\$ -	\$ 28,291,874
Electric Plan 2/Gas Plan 1 Total	\$ 43,116,108	\$ 12,716,974	\$ 55,833,082	\$ -	\$ 55,833,082
EPY7/GPY4- 6/1/14-5/31/15	\$ 15,552,645	\$ 5,265,253	\$ 20,817,898	\$ -	\$ 20,817,898
EPY8/GPY5- 6/1/15-5/31/16	\$ 14,385,731	\$ 4,864,207	\$ 19,249,938	\$ -	\$ 19,249,938
EPY9/GPY6- 6/1/16-12/31/17	\$ 33,095,405	\$ 4,266,483	\$ 37,361,888	\$ -	\$ 37,361,888
Electric Plan 3/Gas Plan 2 Total	\$ 63,033,781	\$ 14,395,943	\$ 77,429,724	\$ -	\$ 77,429,724
Program Year	Actual Peoples Gas EEPS Costs YTD	Approved Peoples Gas EEPS Budget	% of Costs YTD Compared to Approved Budget *		
2018 - Verified 2/17/22	\$ 24,646,499	\$ 27,492,564	90%		
2019 - Verified 2/17/22	\$ 26,918,182	\$ 27,492,564	98%		
2020 - Verified 2/17/22	\$ 29,237,648	\$ 27,492,564	106%		
2021 - Verified 10/11/22	\$ 24,475,164	\$ 27,492,564	89%		
2018-2021 Plan Total	\$ 105,277,493	\$ 109,970,256	96%		
2022	\$ 25,005,836	\$ 29,049,031	86%		
2023	\$ 28,231,254	\$ 29,049,031	97%		
2024		\$ 29,049,031	0%		
2025		\$ 29,049,031	0%		
2022-2025 Plan Total	\$ 53,237,090	\$ 116,196,124	46%		

*The % of Costs YTD Compared to the Approved Budget reflects the percent to the Plan Budget, which may vary from the annual Approved Implementation Budget and percentage shown on Tab 1.

Statewide Quarterly Report Template
 Tab 7: Historical Other - IQ Multi-Family Participation
 Q4 2023

Instructions:
 *Each Program Administrator should complete the IQ Multi-Family Participation table for Quarterly Reports.
 *Gas-Only Program Administrator should complete the Trade-Ally-Driven IQ Multi-Family Participation table for Quarterly Reports

Instructions:
 Other to be completed by SAG

IQ Multi-Family Participation for the Peoples Gas Service Territory as of Q4 2023

Zip Code	2022		2023		2024		2025	
	Quantity of Buildings Served	Quantity of Apartment/Condo Units	Quantity of Buildings Served	Quantity of Apartment/Condo Units	Quantity of Buildings Served	Quantity of Apartment/Condo Units	Quantity of Buildings Served	Quantity of Apartment/Condo Units
60601	0	0	0	0				
60602	0	0	0	0				
60604	0	0	0	0				
60605	0	0	0	0				
60606	0	0	0	0				
60607	2	6	1	3				
60608	36	405	3	243				
60609	1	3	1	5				
60610	0	0	2	444				
60611	0	0	0	0				
60612	4	33	7	998				
60613	7	504	3	134				
60614	1	40	2	172				
60615	32	1,239	34	1,342				
60616	14	713	11	1,853				
60617	19	677	8	368				
60618	9	109	6	67				
60619	72	949	55	986				
60620	60	1,147	43	752				
60621	15	257	15	335				
60622	1	18	4	503				
60623	19	131	16	314				
60624	22	321	11	435				
60625	29	501	16	301				
60626	77	2,341	37	997				
60628	127	1,110	9	349				
60629	23	330	37	554				
60630	1	25	3	59				
60631	0	0	0	0				
60632	2	7	6	32				
60633	0	0	0	0				
60634	1	44	0	0				
60636	3	18	2	7				
60637	42	1,104	37	806				
60638	1	3	0	0				
60639	13	227	5	51				
60640	21	958	17	1,136				
60641	10	232	3	69				
60642	1	324	0	0				
60643	5	123	5	114				
60644	44	964	21	726				
60645	22	394	10	258				
60646	0	0	0	0				
60647	11	183	3	79				
60649	80	1,657	93	2,625				
60651	15	528	6	100				
60652	1	11	0	0				
60653	20	670	16	851				
60654	0	0	0	0				
60655	0	0	3	40				
60656	0	0	0	0				
60657	0	0	0	0				
60659	21	427	13	258				
60660	29	1,703	18	984				
60661	0	0	0	0				
60707	0	0	0	0				
60827	0	0	0	0				

IQ Trade-Ally-Driven Multi-Family Participation for the Peoples Gas Service Territory as of Q4 2023

Participation Metrics	2022	2023	2024	2025
Quantity of Buildings Served	11	0		
Quantity of (Apartment/Cond) Units Served	0	0		
Quantity of Buildings Assessed	11	0		
Quantity of Units Assessed	0	0		
Quantity of Buildings with Direct Installations Only	0	0		
Quantity of Units with Direct Installations Only	0	0		
Quantity of Buildings with Direct Installs and Major Meas	11	0		
Quantity of Units with Direct Installs and Major Measures	0	0		

Statewide Quarterly Report Template
 Tab 8: Historical Other - IQ Participation, Measures, Health & Safety
 2023

Instructions:
 *Each Program Administrator should complete the tables for the Annual Reports.

Instructions:
 Other to be completed by SAG

IQ Program Participation for the Peoples Gas Service Territory in 2023

Zip Code	2022					2023				
	IQ - Quantity of Program Participants (Buildings)	IQ - Quantity of Whole Building Assessments	IQ - Quantity of DI Only Installations	IQ - Quantity of In-Unit Service Installations	IQ - Quantity of Major Measure Installations	IQ - Quantity of Program Participants (Buildings)	IQ - Quantity of Whole Building Assessments	IQ - Quantity of DI Only Installations	IQ - Quantity of In-Unit Service Installations	IQ - Quantity of Major Measure Installations
60601	6	0	0	0	0	1	0	0	0	0
60602	0	0	0	0	0	0	0	0	0	0
60604	0	0	0	0	0	0	0	0	0	0
60605	7	0	0	0	0	10	0	10	0	0
60606	1	0	0	0	0	1	0	1	0	0
60607	116	5	28	30	3	24	1	23	3	1
60608	1,760	16	83	88	15	383	4	99	34	2
60609	2,302	22	66	85	19	511	6	59	0	5
60610	94	1	21	21	0	20	1	23	14	2
60611	0	0	0	0	0	4	0	4	0	0
60612	1,390	3	46	48	6	497	8	63	3	9
60613	61	4	273	273	6	34	0	26	0	0
60614	55	1	105	105	0	33	0	30	0	0
60615	758	15	307	304	23	331	30	203	158	26
60616	1,513	10	154	156	31	467	0	61	26	10
60617	3,536	148	229	362	157	1,187	42	308	9	78
60618	725	13	115	121	13	156	8	79	13	4
60619	2,459	182	352	502	207	935	65	328	39	153
60620	3,156	253	583	808	285	1,096	66	419	83	183
60621	1,511	38	256	283	32	423	15	226	166	18
60622	572	3	67	68	1	90	0	35	0	2
60623	3,188	29	80	91	25	710	13	79	9	28
60624	1,778	22	273	284	25	568	9	61	0	9
60625	818	19	104	114	46	168	9	155	107	18
60626	282	22	176	177	94	161	7	114	67	24
60628	3,287	146	721	853	147	1,021	41	585	216	92
60629	2,977	201	190	353	186	918	51	495	368	103
60630	396	10	55	65	11	93	5	42	0	7
60631	82	14	35	48	14	40	2	32	0	8
60632	3,627	48	58	102	46	685	22	88	28	45
60633	3,671	2	9	11	2	144	3	22	0	6
60634	1,030	28	73	96	26	148	10	61	0	24
60636	1,387	40	73	108	37	356	24	104	4	48
60637	1,480	68	692	684	49	370	16	194	109	26
60638	974	60	59	119	61	236	14	53	0	25
60639	2,450	46	87	124	63	586	19	118	34	25
60640	533	7	117	116	27	182	8	262	218	9
60641	1,156	36	86	108	38	231	12	75	0	23
60642	244	1	251	251	0	29	0	13	0	0
60643	1,207	104	238	337	106	401	38	155	0	85
60644	1,805	45	312	343	67	557	19	121	33	38
60645	981	17	124	132	32	608	8	87	27	10
60646	118	1	37	38	1	42	1	22	0	3
60647	1,668	12	156	159	13	373	6	64	0	4
60649	1,202	96	575	603	103	448	43	421	317	89
60651	2,565	66	163	220	68	732	26	131	6	37
60652	803	82	92	169	82	222	28	79	0	68
60653	1,227	18	527	527	12	283	9	349	257	14
60654	1	0	0	0	0	8	0	8	0	0
60655	120	25	33	58	25	55	7	36	0	13
60656	311	5	20	24	5	21	1	8	0	2
60657	61	0	52	52	0	41	1	35	0	4
60659	567	11	68	74	19	155	3	50	3	15
60660	497	3	65	66	37	252	1	22	0	15
60661	1	0	0	0	0	4	0	4	0	0
60707	209	14	32	46	14	46	2	22	0	6
60827	186	4	4	7	3	19	1	5	0	0

IQ Whole Building Retrofit Health & Safety Metrics for the Peoples Gas Service Territory in 2023

Health & Safety Metrics	2022	2023	2024	2025
Number of Properties Assessed - Single Family	1,590	1,266		
Number of Properties Assessed - Multi-Family	426	285		
Number of Properties with Identified Health & Safety Issues	787	919		
Number of Properties deferred due to Health & Safety Issues	109	165		
Quantity of Properties with the following Health and Safety Issues Identified:				
Electrical Safety	7	1		
Natural Gas Safety	1	241		
Fire Safety	403	520		
Indoor Air Quality	592	449		
Other	386	451		

IQ Building Retrofit Materials Used for the Peoples Gas Service Territory in 2023

IQ Retrofit Materials Metrics	2022	2023	2024	2025
Quantity of Projects with the following predominant Insulation Materials:				
Insulation - Fiberglass	376	0		
Insulation - Cellulose	900	142		
Insulation - Spray Foam	604	0		
Insulation - Rigid Foam	685	0		
Pipe Insulation - Foam	2	0		
Pipe Insulation - Wool (Glass, Mineral)	0	0		
Pipe Insulation - Tape	0	0		
Insulation - Other	279	0		
Quantity of Projects with the following predominant Sealants/Caulks in general:				
General Sealant Material - Tape	0	216		
General Sealant Material - Mastic	10	0		
General Sealant Material - Latex	0	0		
General Sealant Material - Silicone	1	0		
General Sealant Material - Polyurethane	0	139		
General Sealant Material - Other	0	0		
Quantity of Projects with the following predominant Sealants/Caulks in HVAC Ductwork:				
HVAC Ductwork Sealant Material - Tape	0	0		
HVAC Ductwork Sealant Material - Mastic	0	0		
HVAC Ductwork Sealant Material - Latex	0	0		
HVAC Ductwork Sealant Material - Silicone	0	0		
HVAC Ductwork Sealant Material - Polyurethane	0	0		
HVAC Ductwork Sealant Material - Other	0	0		

Final 2023 NTG Values							
Sector	Program/Path/Measures	New NTG Research Since Final 2022 Recommendations	Free Ridership (FR)	Participant Spillover (PSO)	Non-Participant Spillover (NPSO)	2023 NTG Value	Gas Source(s)
Income Eligible	Single Family Retrofits and Kits	No				1.00	NTG value for this Income Eligible program is 1.00
Income Eligible	Multi-Family Retrofit and Kits	No				1.00	NTG value for this Income Eligible program is 1.00
Income Eligible	Advanced Thermostats	No				1.00	NTG value for this measure in Income Eligible programs is 1.00
Income Eligible	Public Housing Authority (PHA)	No				1.00	NTG value for this Income Eligible program is 1.00
Income Eligible	New Construction	No				1.00	NTG value for this Income Eligible program is 1.00
Residential	HEJ - Advanced (Smart) Thermostats: Direct Install or Re-program	No				0.90	The heating savings factor for residential advanced thermostats is based on a consumption data analysis using matching to non-participants. The values are therefore between net and gross savings using a baseline average flow rate that includes the effect of existing low flow fixtures.
	HEJ - Faucet Aerators	No	0.00	0.02		1.02	The IL TRM specifies that the free ridership for aerators be set at zero when estimating gross savings using a baseline average flow rate that includes the effect of existing low flow fixtures.
	HEJ - Showerheads	No	0.00	0.02		1.02	The IL TRM specifies that the free ridership for showerheads be set at zero when estimating gross savings using a baseline average flow rate that includes the effect of existing low flow fixtures.
	HEJ - Programmable Thermostat	No	0.14	0.02		0.88	FR and PSO: 2018 Survey of 110 GPY6 participants. Memo: Net-to-Gross Research Results from GPY6 for the Peoples Gas and North Shore Gas Home Energy Incentive Program
	HEJ - Re-Programming Thermostat	No	0.22	0.02		0.80	FR and PSO: 2018 Survey of 110 GPY6 participants. Memo: Net-to-Gross Research Results from GPY6 for the Peoples Gas and North Shore Gas Home Energy Incentive Program
	HEJ - Boiler Pipe Insulation, DHW Pipe Insulation	No	0.14	0.02		0.88	Boiler pipe insulation and pipe insulation domestic hot water (DHW) outlet - had low participation in GPY6 (about 3 percent of overall program savings combined) and were not included in the TRM.
Residential	HEJ - Leave-Behind Kit (Measures are Shower Timer, Cell Foam Weatherstripping, and Door Weatherstripping)	No	0.14	0.02		0.88	Leave Behind Kits are a new offering of self-install measures. Evaluator recommendation is a free ridership of 0.14 for those measures and program-level spillover of 0.02, matching the TRM.
	All scenarios of Air Sealing plus added Attic Insulation Installed in the Same Project (whether or not additional measures are installed in the same project)	No				0.88 Air Sealing 0.89 Attic Insul.	Applies only in scenarios where air sealing and attic insulation are installed at the same time, and only if the savings for natural gas heating are estimated using the Illinois TRM, Section 5.6.1 (Air Sealing) and Section 5.6.5 (Ceiling/Attic Insulation) adjustment factor of 72% that was derived from air sealing and insulation research by Navigant (2018). See Navigant (2018) for details.
	Air Sealing (conducted without adding Attic Insulation)	No	0.24	0.01		0.77	FR: Navigant research of free ridership from a telephone survey administered to ComEd EPY9/GPY6 and CY2018 Weatherization Rebates Program participants that were joint with PGL, NSG and Nicor Gas. Navigant conducted the net-to-gross (NTG) research in Fall 2018 with EPY9/GPY6 and CY2018 participants and in Spring 2019 with only CY2018 duct sealing participants. Analyzed completes: Attic Insulation (61), Air Sealing (68), Duct Sealing (79). Wall insulation FR is a weighted average value. Survey was fuel neutral and used TRM v7.0 protocols. Navigant recommended updating older gas research with these newer joint values, described in Navigant memo to ComEd July 19, 2019.
Residential	Insulation measures, excluding ceiling/attic insulation including Wall, Floor Above Crawlspace, Basement Sidewall, Rim/Band Joist	No	0.22	0.01		0.79	The heating savings factor for residential advanced thermostats is based on a consumption data analysis using matching to non-participants. The values are therefore between net and gross savings using a baseline average flow rate that includes the effect of existing low flow fixtures.
Residential	Duct Sealing	No	0.14	0.01		0.87	FR: Navigant research of free ridership from a telephone survey administered to ComEd EPY9/GPY6 and CY2018 Weatherization Rebates Program participants that were joint with PGL, NSG and Nicor Gas. Navigant conducted the net-to-gross (NTG) research in Fall 2018 with EPY9/GPY6 and CY2018 participants and in Spring 2019 with only CY2018 duct sealing participants. Analyzed completes: Attic Insulation (61), Air Sealing (68), Duct Sealing (79). Wall insulation FR is a weighted average value. Survey was fuel neutral and used TRM v7.0 protocols. Navigant recommended updating older gas research with these newer joint values, described in Navigant memo to ComEd July 19, 2019.
Residential	Advanced (Smart) Thermostats	No				0.90	The heating savings factor for residential advanced thermostats is based on a consumption data analysis using matching to non-participants. The values are therefore between net and gross savings using a baseline average flow rate that includes the effect of existing low flow fixtures.
Residential	Home Energy Rebate (HVAC and other equipment, excluding Smart Thermostats, Duct Sealing, Air Sealing, and Insulation Measures)	No	0.44	0.02	ATSO: 0.05 IATSO: 0.11	0.74	FR and PSO: Guidehouse 2020 survey of 100 analyzed completes from 2018 participants (any measure) for PSO; 63 analyzed completes from 2019 for FR (HE furnace participants); and 41 analyzed completes of 2019 active participating trade allies. Since HE furnaces comprise 92% of the program, the NTG value is based on the HE furnace participants.
Residential Outreach & Educ.	Home Energy Reports	No				NTG is not applied	No NTG adjustment is applied to savings derived from a consumption data analysis with an experimental design that does not require further net savings adjustment per Table 5-3 in the TRM.
Residential Outreach & Educ.	Elementary Energy Ed	No				1.00	Program value applies to all natural gas saving measures offered through the program, including Water Efficient Showerheads; Water Efficient Kitchen Aerators; Water Efficient Bath Aerators; Water Efficient Ceiling and Shower Timers.
Multi-Family DI In-Unit and Common Areas (starting 2020)	Direct Install (DI) In-Unit and Common Area (all DI measures except in-unit DI faucet aerators and in-unit DI showerheads)	No	0.05	0.01	0.00	0.96	Navigant research with CY2018 participants for FR and GPY6 participants for PSO. The free ridership results meet a 90% confidence interval within 5% precision, based on 15 respondents receiving pipe insulation or programmable thermostats from a population of 95 unique direct install participants.
Multi-Family DI In-Unit	Direct Install In-Unit Showerheads (when meeting TRM specifications for zero free ridership treatment)	No	0.00	0.01	0.00	1.01	The IL TRM specifies that the free ridership for showerheads be set at zero when estimating gross savings using a baseline average flow rate that includes the effect of existing low flow fixtures.
Multi-Family DI In-Unit	Direct Install In-Unit Faucet Aerators (when meeting TRM specifications for zero free ridership treatment)	No	0.00	0.01	0.00	1.01	The IL TRM specifies that the free ridership for aerators be set at zero when estimating gross savings using a baseline average flow rate that includes the effect of existing low flow fixtures.
Multi-Family Comprehensive - Path-Based Estimates	Prescriptive Rebates	No				0.87	Free ridership from Navigant analysis of 23 participant interviews conducted in 2019 of 2018 MF Program participants (C/P 90/9). Sample size not large enough for path-based estimates.
	Partner Trade Allies	No				0.87	NPSO (PGL & NSG EM&V GPY5 for MF program). Participant Spillover from survey of 65 participants from a sample of Nicor Gas, Peoples Gas, and North Shore Gas GPY6 multi-family program participants.
	Custom Incentives	No				0.87	Participant Spillover from survey of 65 participants from a sample of Nicor Gas, Peoples Gas, and North Shore Gas GPY6 multi-family program participants.
	Gas Optimization	No	0.06	0.00	0.00	0.94	Participant Spillover from survey of 65 participants from a sample of Nicor Gas, Peoples Gas, and North Shore Gas GPY6 multi-family program participants.
Business	Prescriptive Rebates including Thermostats	No	0.22	0.11	0.02	0.91 All Other Measures 0.91 Thermostats	Method: Evaluation research consisting of 2018 and 2019 participating customer and trade ally self-reports. Free ridership of 22% and participant spillover of 11% from 20 participants. (Guidehouse Research, 2021) Evaluation research consisting of 2019 and 2020 participating Public Sector customers and 2018 and 2019 trade allies that had completed prescriptive and custom rebate projects. Participant free-ridership of 16% and participant spillover of 0% from 4 participating customer NTG interviews completed from a population of 15 (representing 78% of population therm savings). Free Ridership of 13% and participant spillover of 7% from 3 participating customer NTG interviews completed from a population of 15 (representing 78% of population therm savings).
Business	Custom Rebates	No	0.26	0.00	0.00	0.74	Navigant analysis of participant interviews conducted in 2019 of 2018 Custom Rebate Program participants, including the private and public sectors. Completed 10 interviews from population of 15 (representing 78% of population therm savings). Free Ridership of 13% and participant spillover of 7% from 3 participating customer NTG interviews completed from a population of 15 (representing 78% of population therm savings).
Public Sector	Prescriptive Rebates including Thermostats	No	Participant: 0.16 TA: 0.13 Wgt: 60%P / 40%TA FR = 0.15	Participant: 0.00 TA: 0.07	0.00	0.92 All Other Measures 0.93 Thermostats	Method: Evaluation research consisting of 2018 and 2019 participating customer and trade ally self-reports. Free ridership of 22% and participant spillover of 11% from 20 participants. (Guidehouse Research, 2021) Evaluation research consisting of 2019 and 2020 participating Public Sector customers and 2018 and 2019 trade allies that had completed prescriptive and custom rebate projects. Participant free-ridership of 16% and participant spillover of 0% from 4 participating customer NTG interviews completed from a population of 15 (representing 78% of population therm savings). Free Ridership of 13% and participant spillover of 7% from 3 participating customer NTG interviews completed from a population of 15 (representing 78% of population therm savings).
Business and Public Sector	Gas Optimization	No	0.06	0.00	0.00	0.94	Participant Spillover from survey of 65 participants from a sample of Nicor Gas, Peoples Gas, and North Shore Gas GPY6 multi-family program participants.
Business and Public Sector	Retro-Commissioning	No	0.07	0.05	0.00	0.98	FR (Guidehouse research conducted in 2021). Participant FR based on responses from year 2020 participants and EESPs. Participant free ridership reported by 10 (C/I: 90/10) responses
Business and Public Sector	Joint Non-Residential New Construction Program	No	2021 FR =0.61	0.00	0.00	0.43	NTG is the average of previous 4 program years of research GPY6 (NTG=0.48); CY2018 (0.45); CY2019 (0.39); CY2020 (NA); and CY2021 (0.39). The 2021 FR estimate from Opinion
Business and Public Sector	Non-Joint Non-Residential New Construction - Comprehensive Custom Projects	No				0.43	Apply the same NTG as the joint program until utility-specific research produces a value. Assumes the program delivery approach and targeted decisionmakers are similar to the Joint Non-Res New Construction Program. This NTG value does not apply to Prescriptive program rebates for equipment (e.g., a rebate for a high efficiency furnace purchased for a new commercial building specified through a Prescriptive program delivery approach without design assistance).
Business and Public Sector	Strategic Energy Management	No				0.97	Program NTG value would apply to other cohorts (for example, healthcare) as well as industrial for equipment measures identified through SEM that are channeled through other incentive programs.
Business and Public Sector	Combined Heat and Power (CHP)	No				Project-Specific	Project-specific NTG values to be determined by evaluation early in each project. If that is not possible, default of 0.8 NTG to be used.
Small/Mid-Sized Business	Assessment/Direct Install/Efficiency Kits	No	Participant: 0.05 TA: 0.09 Wgt: 39%P / 61%TA FR = 0.07	Participant: 0.00 TA: 0.00		All Measures (except Thermostats) = 0.97	FR (Guidehouse research conducted in 2021): FR based on responses from 2020 participants and TAs. Participant free ridership reported by 31 responses from sample of 260 Small Business participants from 2020. Trade Ally FR reported by 17 TAs from sample of 50 TAs (38% of savings) that participated in 2020. FR results weighted 39% participants and 61% TA. Single NTG value applies to DI/Assessment, Prescriptive, and Custom delivery approaches (PGL and Custom evaluation equipment too small for separate estimates).
Small/Mid-Sized Business	Prescriptive and Custom rebates, including Thermostats	No				0.80	The evaluation team recommends a deemed NTG of 0.80 for the CFS Program for all utility partners until research can be conducted.
Business and Public Sector	Commercial Food Service (CFS) Midstream Pilot Program	No				Pilot-Specific	Pilot program-specific NTG values to be determined by evaluation early in each pilot/program. Primary research is not possible, we will conduct secondary research. If research is inconclusive, the default value of 0.80 will apply.
Portfolio	Market Transformation Pilot Programs and Research Projects	No				1.00	In previous years, net savings was estimated directly through participant sampling and interviews. No further NTG adjustment is applied if deemed savings are based on historical results.
Portfolio	Building Operator Certification	No				Pilot-Specific	Pilot program-specific NTG values to be determined by evaluation early in each pilot/program. Primary research is not possible, we will conduct secondary research. If research is inconclusive, the default value of 0.80 will apply.
Portfolio	Emerging Technology Pilot Programs and Research Projects	No				Pilot-Specific	Pilot program-specific NTG values to be determined by evaluation early in each pilot/program. Primary research is not possible, we will conduct secondary research. If research is inconclusive, the default value of 0.80 will apply.
Portfolio	Virtual Assessment (VA) / Remote Assessment (RA) and Independent/Self-Installation (guided or unguided by a program representative)	No					For a given program or measure, use the same NTG as the on-site Direct Installation participants that were previously surveyed for NTG. We recommend that RAVA savings use the same NTG as the corresponding DI participants.

NSG-PGL Ex. 2.4: Joint ComEd and Peoples Gas and North Shore Gas Program Summary

Program Segment	Program	Program Description
Residential – Single Family Programs	Home Energy Assessments (HEA)	Offers energy-saving products installed in homes at no-cost to the customer. Homeowners can reduce their energy and water use with the installation of products available to owners of single-family homes, two-flats, and individually metered condos and townhomes. Renters are also eligible with permission from their landlords.
	Elementary Education	The Elementary Education Program is a free energy efficiency educational program. The program offers 5th grade energy efficiency lesson plans, equipping teachers with activity guides and take-home kits for students and their families to learn how to save energy by installing no-cost energy-saving products in their homes.
Residential – Multi-family Programs	Multi-family Energy Savings	The Multi-Family Energy Savings program offers free direct installation of energy-saving measures for multi-family buildings.
Income Eligible Programs	Income Eligible Multi-Family Savings	Building owners receive free technical assistance to identify energy efficiency opportunities and install measures. Expenses are fully covered by the program, from the direct installation of energy efficiency products into tenants’ units to common area measures, and more extensive measures requiring building owner co-pay.
	Public Housing Energy Savings	Offers prescriptive and custom rebates for gas measures in housing owned by Public Housing Authorities.
	Home Energy Assessment (HEA)	Offers energy-saving products installed in homes at no-cost to the customer. Homeowners can reduce their energy and water use with the installation of products available to owners of single-family homes, two-flats, and individually metered condos and townhomes. Renters are also eligible with permission from their landlords.
	Income Eligible Kits	Provides income-qualified customers with a kit of energy efficiency measures to self-install. The Income Eligible Gas Kits are distributed by ground mail to qualified customers vetted by the Low-Income Home Energy Assistance Program (LIHEAP).
	Home Energy Savings Retrofits	Offers direct install products and no-cost weatherization services for Income-Eligible Single-Family home customers. The offering is delivered through approved agencies or partners, e.g. Chicago Bungalow Association.
	Elementary Education	The Elementary Education Program is a free energy efficiency educational program. The program offers 5th grade energy efficiency lesson plans, equipping teachers with activity guides and take-home kits for students and their families to learn how to save energy by installing no-cost energy-saving products in their homes.
	Illinois Home Weatherization Assistance Program (IHWAP)	Leverage's state and federal funds to supplement incentives from utility programs. The program was designed to help low-income residents save energy and money while increasing the comfort of their homes. With a mission to insulate low-income customers, particularly the elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, to conserve needed energy and to aid those persons least able to afford higher utility costs. Weatherization services are provided to low-income residents through local community action agencies or not for profit agencies.

Business – Commercial & Industrial	New Construction Rebates	Rebates are provided towards new building projects or deep renovations, which are designed to exceed regional energy-efficiency code requirements.
	Retro-Commissioning	This comprehensive study provides insights into the performance of a facility’s existing energy-using systems. To help facilities perform optimally, this program focuses on identifying no- and low-cost energy-saving operational improvements with a simple payback within 18 months.
Business – Public Sector	New Construction Rebates	Rebates are provided towards new building projects or deep renovations, which are designed to exceed regional energy-efficiency code requirements.
	Retro-Commissioning	This comprehensive study provides insights into the performance of a facility’s existing energy-using systems. To help facilities perform optimally, this program focuses on identifying no- and low-cost energy-saving operational improvements with a simple payback within 18 months.
Business – Small and Midsize Business	New Construction Rebates	Rebates are provided towards new building projects or deep renovations, which are designed to exceed regional energy-efficiency code requirements.