



Gas bills to rise as Nicor gets delivery rate hike

By Anna Marie Kukec | Daily Herald Business Writer

Published: 3/25/2009 5:56 PM

You could be paying about \$2.50 more each month beginning in April to have natural gas delivered to your home.

Or it could be \$3 or \$14, depending on who's calculating.

Either way, consumers will be forced to pay more to Naperville-based Nicor Gas, despite a tough economy.

The Illinois Commerce Commission Wednesday approved Nicor's delivery rate increase, which would bring in about \$69 million of additional revenue. It's about half of what the utility originally requested in a case that started in April 2008.

But the Citizens Utility Board, a Chicago-based consumer watchdog, said the tab could be even higher and plans to appeal the ICC decision in the next 30 days.

"(The ICC) decision is another example of how the needs of consumers are being overshadowed by corporate interests," CUB Executive Director David Kolata said. "Illinois families are struggling to pay for necessities like food, rent and medications, while Nicor's parent company made about \$120 million last year and will make even more because of this rate hike."

CUB estimates that the customer charge will increase by about 60 percent, from \$8.85 to \$14. Some of that is offset by a decrease in the per-therm distribution charge, making the overall delivery impact about 14 percent to 27 percent.

The actual cost of the natural gas remains at market value, a pass-through cost to consumers, and was not part of this case.

The ICC said that the typical, medium-sized residential customer will see an increase of about \$2 to \$3 per month, depending on the season and gas usage.

In early February, administration law judges recommended to the ICC that Nicor should get a revenue increase of about \$69 million, compared to its original request of \$140.4 million. The judges do a preliminary review of rate cases and offer a recommendation to the commissioners, who later vote on it.

"Even under the new rates, Nicor Gas will continue to have the lowest rates of any major natural gas utility in Illinois and among the lowest in the entire United States," said Nicor spokeswoman Annette Martinez.

Martinez said the company is still reviewing the decision, but early calculations indicate that the average residential consumer will pay about \$2.50 per month more.

In April 2008, Nicor filed its request before the ICC, which regulates utilities statewide. Nicor had said its current rates did not consider about \$750 million in past and planned infrastructure improvements since its last rate case in 2004.