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### Proposed rate hike by Peoples Gas and North Shore Gas draws opposition

#### Citizens Utility Board, city, state call requested increase too big

By Ameet Sachdev

Tribune reporter

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Chicago and state officials joined consumer advocates in opposing a \$183.8 million rate hike requested in February by Peoples Gas and North Shore Gas.

The Illinois attorney general's office, the City of Chicago and the Citizens Utility Board jointly filed comments with the state's utility regulator, contending that the companies inflated their expenses to justify the rate increases.

The trio argued that Peoples Gas could justify only a \$48.3 million increase -- less than a third of the \$161.9 million it requested. They also asked that the Illinois Commerce Commission cut North Shore's request in half, to \$10.9 million from \$21.9 million.

"There's no evidence that Peoples Gas needs such a massive rate hike to provide quality service and make a reasonable profit," CUB Executive Director David Kolata said.

Peoples Gas and North Shore Gas, both owned by Chicago-based Integrys Energy Group Inc., seek to increase what they charge to deliver gas to their 1 million Chicago-area customers. The companies have said that the increases for small residential customers would be less than \$12 a month at Peoples Gas and less than \$10 a month at North Shore Gas.

A Peoples Gas spokeswoman said the utility needs to upgrade its systems to maintain reliable service.

"The filings are the first step in a deliberate and detailed process that we feel responsibly balances the need for financially strong utilities while at same time ensuring that our customers are not overpaying for an essential service," said spokeswoman Bonnie Johnson.

The utilities are seeking an increase only a year after state regulators allowed them to raise delivery rates by \$71 million.

[asachdev@tribune.com](mailto:asachdev@tribune.com)

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