



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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STATEMENT FROM CUB EXECUTIVE DIRECTOR DAVID KOLATA ON RECORD NICOR GAS RATE-HIKE REQUEST

This week, Nicor Gas asked the Illinois Commerce Commission (ICC) for a \$293 million rate hike. In response, David Kolata, Executive Director of the Citizens Utility Board, issued the following statement:

Nicor's massive rate-hike request—believed to be the largest proposed rate increase by a natural gas company in Illinois history—is a cold slap in the face for consumers struggling to pay their heating bills in the middle of an economic crisis brought on by a year-long pandemic. This represents Nicor's third attempt at a record-setting rate hike in the last four years, and it includes an excessive profit rate for shareholders of 10.35 percent. Enough is enough.

CUB will join with other consumer advocates in mounting a legal challenge against this rate-hike request.

Background:

*On Thursday, Jan. 14, Nicor Gas requested a \$293 million increase in delivery rates. That includes a 10.35 percent Return on Equity, or profit rate for shareholders. It represents an 8.37 percent increase in total bills for typical residential customers. The Illinois Commerce Commission (ICC) will rule on the request in about 11 months.

*This is the third rate hike Nicor has requested in four years. The company initially asked for about \$208 million in 2017 and about \$230 million in 2018—both believed to be record requests at the time. The company has received a total of more than \$261 million in rate hikes since 2017.

*This will impact delivery rates, which take up about a third to a half of gas bills. It's what Nicor charges customers to cover the costs of delivering gas to homes—plus a profit.

*Nicor is the state's largest natural gas utility, serving 2.2 million residential, public sector and business customers in more than 650 communities throughout northern Illinois.

*Warning: Even customers who pay an alternative gas supplier still pay Nicor's delivery charges. So customers should beware of any sales representative who says they can avoid the rate hike by going with an unregulated supplier. All customers would pay these higher rates.

*CUB is Illinois' leading nonprofit utility watchdog. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, it has saved consumers more than \$20 billion by helping block rate hikes, secure refunds, and fight for clean, low-cost energy. For more information, call CUB's Consumer Hotline, **1-800-669-5556**, or visit its award-winning website, www.CitizensUtilityBoard.org.*

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