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Illinois PIRG



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Coalition, legislators introduce legislation to rein in rapidly rising gas utility bills

Policy, supported by Gov. Pritzker would end bill surcharge, restore utility accountability

Chicago: A coalition of consumer, environmental, and community advocates along with legislative champions announced legislation today to end a gas utility surcharge contributing to higher heating bills across the state.

The coalition pointed to numerous examples of rapidly rising bills from one end of the state to the other: Peoples Gas customers are paying more than 10 times the amount legislators were told the surcharge would cost, and a staggering 29 percent are behind on their bills. The surcharge, similar to the rubber-stamped “formula” rate hikes ComEd won through a corrupt scheme, has significantly contributed to a recent \$76 million Ameren Illinois gas increase and a record-breaking \$293 million Nicor Gas rate-hike request.

The legislation ([HB3941](#), state Rep. Joyce Mason, [SB570](#), state Sen. Ram Villivalam) would phase out the surcharge, called the “Qualified Infrastructure Plant” (QIP) charge, at the end of 2021 instead of at the end of 2023 and restore traditional regulatory oversight over gas utility spending. Gov. J.B. Pritzker endorsed the policy in his August energy [principles](#), and Mayor Lightfoot and the Chicago City Council [called for similar action](#) last spring.

“This year has made clear that we need to restore utility oversight in Illinois,” Rep. Mason said. “As families are tightening their belts, we can no longer allow unaccountable utility spending to raise heating bills unchecked.”

In announcing the legislation, the coalition also released [new data](#) from reports the utilities file with state regulators showing that Peoples Gas customers were collectively about \$147 million behind on their gas bills as of January 2021. That is \$26 million more than ComEd customers, even though ComEd has about 3 million more residential customers. A staggering 29 percent of Peoples Gas customers--nearly a third of the utility’s customer base--were behind on their bills as of January.

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"I think it's important to remove this charge. The utilities know we need these services and it's not fair that they keep hiking up bills, knowing that we can barely pay it as it is," said Donna Carpenter, a West Englewood resident and parent leader with COFI POWER-PAC IL. "It would be a big help, not just to me but to others in the community as well. We're in a situation where we can't go in person to get help and a lot of people don't know how to apply for help on the computer, and all of these bills adding up--it's affecting us."

The surcharge has not only contributed to higher utility bills, it has also limited state oversight. Despite well documented mismanagement and affordability problems with the Peoples Gas pipe replacement program, the Illinois Commerce Commission concluded in 2018 that it could not regulate the program, saying that the surcharge law "tied its hands." Critics have argued that the pipe-replacement program fails to prioritize addressing safety risks in the Peoples Gas system.

Last week almost 1,300 Peoples Gas customers in Chicago's Logan Square neighborhood lost service for at least one day. Peoples Gas has yet to explain the cause of the outage. Logan Square ranks 10th out of all neighborhoods for the number of gas main breaks or cracks from 1981 through 2018. The neighborhood is also 19th in the city for its average pipe segment risk ranking, under the company's pipe segment risk index. Despite these indications of relatively high risk, Peoples Gas is not planning to conduct its pipe-replacement program in the neighborhood until 2032-2036.

The coalition supporting the legislation is led by AARP Illinois, COFI - POWER PAC, CUB Illinois, the Environmental Law and Policy Center, and Illinois PIRG. More than 30 organizations have endorsed the legislation.

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