



# CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

**For Immediate Release**  
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## CONSUMER ALERT: CUB LAUNCHES ONLINE HELP CENTER AS NATURAL GAS PRICES SURGE AT DOUBLE OR NEARLY TRIPLE LAST YEAR'S LEVELS

With consumers facing the possibility of hundreds of dollars in higher heating bills this winter due to skyrocketing natural gas prices and out-of-control utility spending, the Citizens Utility Board (CUB) on Monday launched an online help center to advise gas customers on how to soften the blow of these potentially crippling cost increases. The news comes as Illinois saw yet another jump in gas prices on Oct. 1, with major utilities charging prices that are up to nearly triple last year's supply rates.

**CUBHelpCenter.com** explains why gas prices are high, offers safety and efficiency tips, outlines a customer's rights against disconnection and arms customers with information about energy assistance.

Early predictions are that consumers could pay hundreds of dollars extra to heat their homes this winter. The chart shows the residential gas prices of major Illinois utilities as of Oct. 1, compared with last year. Winter prices are expected to be at their highest level since the heating season of 2008-09.

Utility	October 2021	October 2020	% increase from Oct. 2020
Ameren Illinois	66.718¢ per therm	31.167¢ per therm	114%
MidAmerican Energy	96.29¢ per therm	32.11¢ per therm	199%
Nicor Gas	63¢ per therm	28¢ per therm	125%
North Shore Gas	67.19¢ per therm	35.17¢ per therm	91%
Peoples Gas	72.56¢ per therm	24.31¢ per therm	198%

Smaller utilities are also seeing significant increases, including Consumers Gas (at about 80 cents per therm) and Mr. Carmel (about \$1 per therm).

"High heating bills will be difficult for everyone, but could be painful and even disastrous for some families this winter," CUB Executive Director David Kolata said. "This could require action from state and federal officials to protect gas customers, but we also call on the utilities to do everything they can to keep their customers connected this winter. With the level of spending by some major utilities in the state, we have worried about an emergency like this for years."

CUB highlighted a few important points about the elevated bills:

**The high prices are related, in part, to climate change.** Prices have been elevated since last winter, in connection with extreme weather that has become more frequent as climate change intensifies. Record cold across the South last February froze gas wellheads and pipelines, limiting supply just as demand was shooting up. That sparked high market prices, contributing to the high utility supply rates all year. The price spike highlights the need to transition to an affordable and environmentally sustainable system.

Other factors have helped keep prices elevated, including: 1) less gas exploration and well construction in recent years; 2) increased demand as economies worldwide begin to recover from the pandemic; 3) increased Liquid Natural Gas (LNG) exports to other parts of the world, such as Europe;

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4) increased use of gas for electricity generation in a hot summer of high air-conditioning use; and 5) Hurricane Ida knocked more than 90 percent of gas production in the Gulf of Mexico offline in late August, according to the Energy Information Administration.

**Commodity prices are not the only reason we're paying high bills.** While utilities do not profit off the commodity price, they do make money off another part of the bill: delivery charges. And those have been rising rapidly in recent years due to aggressive infrastructure spending by the utilities.

In 2013, the General Assembly allowed major gas utilities (Peoples Gas, Nicor Gas and Ameren) to add the Qualified Infrastructure Plant (QIP) surcharge to consumer bills. The QIP helps them bring in revenue more quickly and easily than through a traditional 11-month rate case. With Peoples Gas, the surcharge is reportedly up to about \$13 a month for the average household, or \$156 a year. In addition to the surcharge, Nicor has been aggressively pursuing multiple, record-high rate hikes in recent years, and wants a \$198.8 million increase to go into effect this winter. (The company has received \$261 million from two other rate hikes since 2017.)

CUB and other consumer advocates have been on a years-long campaign urging the General Assembly to end the surcharge and put more regulatory control on gas utility spending before it causes a widespread heating-affordability crisis in Chicago and elsewhere.

**Beware of alternative supplier rip-offs.** During high-priced times, consumers wonder if they should switch to an alternative supplier. Remember: Alternative suppliers are impacted by the same market conditions as regulated utilities, but they can set their prices as high as they want. Far from being an opportunity to save money, the gas market has been filled with bad deals. If a deal seems too good to be true, there's a good chance it is. Even in this market, it's likely the utility is your best bet. This information is important now that state regulators have lifted a pandemic-related ban on door-to-door marketing by alternative suppliers. (**Note:** Only consumers in Northern Illinois have gas choice.)

**Energy efficiency is key this winter.** Simple actions at home could help control costs:

- Schedule an inspection with a reputable HVAC contractor. Most systems last 10 to 15 years but can last longer and run more efficiently with maintenance. An inspector can check your system to ensure everything is working properly.
- Weather-strip doors, caulk windows and install storm windows if you have them. A door guard or sweep can help fill the gap at the bottom of your front and back doors. You can find most of these items at local hardware stores.
- In cold weather, set your thermostat to 68°F when you're at home and awake. When you're asleep or away, turn your thermostat down 7° to 10°F. Never let your thermostat drop below 55 degrees, as you could freeze your water pipes.

For more information, visit **CUBHelpCenter.com**.

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

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