



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

FOR IMMEDIATE RELEASE:

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CUB EXECUTIVE DIRECTOR DAVID KOLATA'S STATEMENT ON NICOR RATE HIKE

It's unacceptable that Nicor Gas pushed for higher rates—its third record request in four years—while people are struggling under a pandemic and the highest winter heating prices in more than a decade. Since 2017, Nicor Gas has now received hundreds of millions of dollars in total rate hikes—and has increased delivery rates by nearly 80 percent. Under current gas policy, Nicor, Peoples Gas and Ameren Illinois enjoy reduced regulatory oversight, which allows them to add a “Qualified Infrastructure Plant (QIP)” surcharge to gas bills, aggressively and unnecessarily run up costs and plunge many consumers into a heating affordability crisis. Gas customers are in dire need of policy reform. Illinois must slow down these unsustainable rate increases, implement holistic system planning and stop digging a deeper and deeper hole in support of a fossil fuel that hurts our pocketbooks and the planet.

Background:

*On Thursday, Nov. 18, the Illinois Commerce Commission (ICC) granted a \$240.2 million rate hike to Nicor Gas. That's about \$53 million less than the \$293.4 million increase in delivery rates the company requested in January. The Citizens Utility Board (CUB) is considering filing a request for rehearing.

*This was the third record 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. Nicor has now received a total of more than \$501 million in rate hikes since 2017, and has reportedly increased delivery rates by nearly 80 percent.

*This increase impacts 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 rate of 9.75 percent.

*In 2013, the General Assembly allowed Nicor, Ameren and Peoples Gas to add the Qualified Infrastructure Plant surcharge to bills. This regulatory shortcut allows utilities to recover certain costs more quickly and outside a standard ICC rate case proceeding. Of the rate increase granted this week, about \$93 million is already being recovered through the QIP. The QIP charge will now temporarily zero out and those costs will transfer into delivery rates.

*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.

*Customers having trouble paying their bills should contact their utility to find out about assistance available and the Low Income Home Energy Assistance Program (LIHEAP), 1-877-411-9276.

*Nicor is Illinois' largest gas utility, serving 2.2 million residential, public sector and business customers.

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 CitizensUtilityBoard.org.

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