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ADVOCATES URGE CHICAGO CITY COUNCIL MEMBERS TO OPPOSE RECORD PEOPLES GAS RATE-HIKE PROPOSAL, AS DECISION BY STATE REGULATORS LOOMS

With Peoples Gas customers already reeling from a heating-bill crisis that has inflicted its harshest impacts on Black and Brown families, members of the Chicago City Council can support their constituents by urging state regulators to reject the utility's pending bid for a record rate hike, consumer advocates told members of a City Council committee Monday.

The appeal came during a public hearing that the Council's Committee on Environmental Protection and Energy conducted Monday into the ramifications of Peoples' controversial request for a record-setting \$402 million rate hike. The rate-hike push comes after the utility's parent company has tallied six straight years of record profits.

The Illinois Commerce Commission (ICC) is expected to rule on the rate-hike request Nov. 16, a decision that looms as critical to the future of the utility's 800,000 families who are already struggling to keep up with surging costs for heating and cooking gas.

Peoples Gas bills have ballooned over the last decade as the utility embarked on a spending spree to bankroll a controversial pipe-replacement program that has been criticized by independent auditors as a financial black hole of waste and mismanagement. Cost estimates for the program have soared from about \$2 billion to \$11 billion, while multiple reviews into its performance have found that the inflated cost of pipe replacement has not been accompanied by a proportional reduction in safety risks.

"The Peoples Gas pipe-replacement program is mismanaged, failing to effectively address safety risks in the Peoples Gas system, causing severe affordability burdens for Chicagoans, and absurd in the face of Climate change," said Abe Scarr, Director of Illinois PIRG.

Largely due to reckless spending on pipe-replacement, the average Peoples Gas customer now pays about \$50 in fixed monthly fees before ever turning on their gas. Meanwhile, approximately one out of every five customers of the utility are more than 30 days behind on payments due to rising costs, with the highest concentration of shortages occurring in the city's Black and Brown neighborhoods.

"I've heard from a lot of Chicagoans overwhelmed by their bills. Some customers are forced to choose between keeping enough food on the table and keeping the heat on. Nobody should have to make this choice – especially not from a company rolling in record profits," said Ivonne Rychwa, Outreach Director of the Citizens Utility Board (CUB).

"For years, Peoples Gas has been making bills unaffordable by adding fees and surcharges--and now it's asking for this historic rate hike," said Rev. Veronica Johnson, Outreach Director for Faith in Place and a pastor on the South Side of Chicago. "So, year after year, customers see bigger bills, residents who cannot pay see bigger debt, and Peoples Gas shareholders pocket bigger profits."

Meanwhile, the proposed rate hike would perpetuate Chicago's dependence on natural gas, a dirty fossil fuel that obstructs the city's effort to decarbonize its energy supply.

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“Investing billions of dollars in infrastructure that props up a fossil fuel actively gets in the way of a better future for all Chicagoans,” said Christie Hicks, Senior Director & Lead Counsel, Equitable Regulatory Solutions for the Environmental Defense Fund. “It fuels climate change, leaks methane into our streets and our homes, and drains away dollars that could be used for clean energy instead.”

Consumer advocates urged members of the City Council to formally voice their opposition to the rate hike to the ICC.

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Illinois PIRG is an advocate for the public interest. We speak out for a healthier, safer world in which we’re freer to pursue our own individual well-being and the common good. Learn more at www.illinoispirg.org.

Citizens Utility Board (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 website, www.CitizensUtilityBoard.org.