CONSUMER ADVOCATES URGE STATE REGULATORS TO HOLD THE LINE ON GAS UTILITIES, FOLLOWING REPORT SHOWING HEATING BILLS COULD REACH CATASTROPHIC NEW HIGHS

Gas Delivery Charges on Monthly Heating Bills Could Triple Over Next Decade; Taxpayers Could Face $80 billion Burden by 2050, Study Finds

CHICAGO-The crisis of spiraling heating costs already afflicting Illinois gas customers will reach catastrophic levels over the next decade if state policymakers don’t curb rampant spending by utilities, according to a study released Monday by the Building Decarbonization Coalition (BDC).

The report estimates that the average delivery charges for customers of the state’s four largest gas utilities (Nicor Gas, Ameren Illinois, Peoples Gas, North Shore Gas) will skyrocket by no less than $74 a month by the winter of 2035, unless regulators rein in more than $1 billion in annual utility spending on fossil fuel infrastructure destined to be left defunct under a market transition that has already begun and laws eliminating carbon emissions. The residual bill for that dormant infrastructure – known as a “stranded asset” – could top $80 billion, representing a grave risk for taxpayers, the report concludes.

In response to these findings, Abe Scarr, Director of the Illinois Public Interest Research Group (PIRG), and Sarah Moskowitz, Executive Director of the Citizens Utility Board (CUB), issued the following statements:

Abe Scarr, Illinois PIRG Education Fund Director
“Every dollar gas utilities spend on unnecessary fossil fuel infrastructure today creates a multi-decade liability for Illinois utility customers and the public. This critical new analysis from the Building Decarbonization Coalition demonstrates just how harmful current gas utility spending levels are and how imperative it is that the Illinois Commerce Commission continue to reform utility practices as it did in its November rate-case decisions.

“In the near term, the Commission has the opportunity to chart a better path for Peoples Gas customers by overhauling the failing Peoples Gas pipe-replacement program to cost less while more effectively addressing safety risks.

“While the transition to safer, healthier, clean energy homes will take decades, ensuring the transition is smooth and affordable requires decisive action now.”

Sarah Moskowitz, CUB Executive Director
“The crippling costs of heating bills has already caused a financial emergency for many Illinois families, and this new study shows that current conditions represent only a fraction of the fiasco to come if spending by gas utilities is not held in check.

“For years utilities exploited state policy that allowed them to spend recklessly on the installation of new gas pipes, even when it wasn’t necessary, and then profit at the expense of consumers. That’s a principal reason why nearly 30 percent of Chicago’s gas customers have fallen so far behind on their bills that they were collectively $111 million in debt to Peoples Gas as of March.

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“Fortunately, the Illinois Commerce Commission set a crucial precedent last year when it halted bloated spending by Peoples Gas on its pipe-replacement program, pending a thorough review to determine which expenditures are truly in the public interest. This report shows that regulators must continue to apply that strict scrutiny to gas utilities statewide to avert the catastrophic fallout projected in the study.”

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Through research, public education and outreach, Illinois PIRG Education Fund serves as a counterweight to the influence of powerful special interests that threaten our health, safety or well-being. Learn more at IllinoispirgEdFund.org.

**The Citizens Utility Board (CUB)** is celebrating its 40th anniversary as 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 CitizensUtilityBoard.org.