



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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CONTACT: Jim Chilsen
(o) 312-263-4282, (c) 312-513-1784

ICC JUDGES RECOMMEND 43% CUT TO AQUA IL'S PROPOSED RATE HIKE, CUB SAYS AQUA INCREASE WOULD STILL BE TOO HIGH

State regulatory judges have recommended that the Illinois Commerce Commission (ICC) approve a lower rate hike for Aqua Illinois: \$10.9 million. However, the Citizens Utility Board (CUB) said Wednesday that the increase would still be too high for the company, which was sharply criticized by customers for high rates and poor water quality at ICC public forums over the summer.

The Proposed Order, submitted Tuesday by two ICC Administrative Law Judges, reduced Aqua's proposed \$19.2 million rate hike by about 43 percent, to \$10.9 million.

The five-member ICC is set to make a final ruling on the rate-hike request no later than Nov. 21. In its Final Order, the ICC could follow the judges' recommendation or make key changes.

"This is a step in the right direction for long-suffering Aqua customers, but we believe the evidence submitted by consumer advocates calls for an even greater reduction for customers who have for years faced high bills and poor water quality," CUB Executive Director Sarah Moskowitz said. "We urge state regulators to go further in slashing this unjust and unreasonable rate hike."

In January, Aqua, which serves about 273,000 customers in central and northern Illinois, filed its rate-hike request with the ICC (Docket [24-0044](#)), estimating that it would increase the average residential wastewater and water bill (4,000 gallons) by \$29.91 per month. Moskowitz called a rate hike that high unprecedented in her 24 years at CUB.

In May, CUB joined with the Village of University Park to submit testimony that called out the company for seeking an excessive increase in its return on equity (ROE), or profit rate for shareholders—from an already high 9.6 percent to 10.8 percent. CUB also argued that Aqua improperly tried to force customers to pay hundreds of thousands of dollars in legal expenses connected to the rate case as well as executive bonuses for reaching financial goals that only benefit shareholders.

Aqua customers who attended ICC public forums over the summer angrily complained of high bills and poor water quality—with one woman toting a jar of cloudy brown-orange water she said came from her home. In recent years, there have been several examples of service problems—including a water outage in Lake County in 2023 and unacceptable levels of lead in drinking water in University Park in 2019.

"This is about poor versus rich," University Park Village Manager Elizabeth Scott said at a public forum in Bourbonnais. In Crystal Lake, a customer urged the ICC to require Aqua to first address ongoing problems, including water quality and poor customer service, before allowing

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the company to raise rates. “Aqua’s proposed rate increase could significantly worsen the financial strain on our working class community,” she said. “We can’t afford the bills we have now.”

A major reason for the rising bills are state laws that allow Aqua to hit customers with a "Qualifying Infrastructure Plant" surcharge as well as employ an aggressive strategy to buy up municipal systems. The Illinois General Assembly in 2013 passed a law that allowed Aqua to buy up depreciated water and wastewater systems across the state and charge their customers to cover 100 percent of the acquisition costs. **CUB Water Tracker**, a special online center that monitors the problem, has found that Aqua customers have so far covered \$121 million in acquisition costs. CUB is advocating for legislative reforms to bring relief to private water customers across Illinois.

While Aqua’s customers have suffered, the parent company, Essential Utilities, has prospered, raking in about \$963 million in profits over the last two years.

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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.