



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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ICC GRANTS AQUA ILLINOIS \$11.6 MILLION RATE HIKE

The Illinois Commerce Commission (ICC) on Thursday cut Aqua Illinois' rate-hike request by about 40 percent, granting the water utility an \$11.6 million increase.

CUB called the ICC's Final Order a step toward reining in a utility that was the subject of intense criticism for high rates and poor water quality from customers who attended ICC public forums requested by AARP Illinois over the summer. But CUB said more needed to be done: The next step is to work for reforms in Springfield.

"The ICC's ruling is a step in the right direction--although we never like to see water rates go up for long-suffering Aqua customers," CUB Executive Director Sarah Moskowitz said. "We believe that a 9.6 percent profit rate for shareholders is still too high, but we are pleased that regulators rejected the company's outrageous 10.8 percent proposal. And we are encouraged that the ICC shares the concerns of consumer advocates that Aqua's rate design may unnecessarily shift costs onto residential ratepayers and ordered Aqua to explore more consumer-friendly designs. Now that this rate case is completed, we are turning our attention to Springfield, where there is a dire need to reform Illinois water policy that has been stacked against consumers for far too long and has escalated residential bills for years."

"AARP Illinois applauds the ICC's decision to decrease Aqua Illinois' proposed rate hike by 43 percent," said Philippe Largent, State Director of AARP Illinois. "Water is just one of the utility bill increases that customers are struggling to pay, and we are encouraged to see that the ICC continues to approach these proposals with long-needed scrutiny, prioritizing people over company profits."

The ICC's Final Order approved a 9.60 percent Return on Equity (ROE, or profit rate for shareholders), down from the 10.8 percent ROE that the company proposed when it filed for a \$20.4 million rate hike in January of this year. ICC Chairman Doug Scott said the ICC approved Aqua's proposed "rate design"--how the company spreads out costs over its residential, commercial and industrial customers--but added the Illinois Attorney General raised legitimate concerns that the utility was unnecessarily shifting costs on residential customers.

The ICC ordered Aqua to develop and review alternatives to its current rate structure, and required Aqua to file an alternative rate design proposal by Jan. 1, 2027 or at its next rate case (whatever comes sooner) in conjunction with its preferred rate design. Aqua is required to also file a comparative analysis of the two rate designs.

Also, under the Final Order, starting on July 1, 2025, eligible Aqua customers whose incomes are at or below 150 percent of the Federal Poverty Level will be able to receive a 70 percent discount on all base volumetric charges as a part of the newly approved low-income discount rate.

In addition to challenging Aqua's increase before the ICC, CUB also has advocated for reforms in Springfield, where in past years water companies have successfully pushed for legislation that increases costs for their customers. Under state law:

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- Aqua and Illinois American Water—the state’s two biggest private water utilities—charge a “Qualifying Infrastructure Plant” fee on bills.
- Illinois American and Aqua can 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**, CUB’s online center for monitoring the problem, found that these for-profit water utilities have purchased 56 systems since 2013, when state legislators passed a law that allows them to pass acquisition costs—**\$402 million and counting**—onto their customers.

In January, Aqua, which serves about 273,000 customers in central and northern Illinois, filed a \$20.4 million rate-hike request (ICC Docket [24-0044](#)). Aqua estimated the original request would increase the average residential wastewater and water bill (4,000 gallons) by \$29.91 a month. CUB called the per-customer increase “unprecedented” and joined with the Village of University Park to file testimony challenging Aqua’s rate-hike request.

On Thursday, it wasn’t immediately clear how the \$11.6 million increase approved by regulators would impact customer bills.

In May, CUB and the Village of University Park filed testimony challenging Aqua’s rate-hike request and urging regulators to reduce the company’s proposed ROE from 10.8 percent to 9.45 percent. (The ICC approved 9.60 percent.)

Thursday’s decision comes after a series of public forums over the summer that were requested by AARP Illinois to allow customers to vent their long-held frustrations over high bills and poor water quality. In recent years, there have been several examples of Aqua service problems – including a water outage in Lake County in 2023 and unacceptable levels of lead in drinking water in University Park in 2019.

At the Crystal Lake forum, one customer toted a jar of cloudy brown-orange water she said came from her home. “Aqua’s proposed rate increase could significantly worsen the financial strain on our working class community,” another customer said. “We can’t afford the bills we have now.” At the forum in Bourbonnais, University Park Village Manager Elizabeth Scott said: “This is about poor versus rich.”

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.