



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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CUB STATEMENT ON NICOR GAS' PROPOSED \$308+ MILLION RATE HIKE

Nicor Gas' campaign for a state-record rate hike of about \$308.6 million—which is closer to \$325 million when including taxes—is unjustified, and CUB will fight it. Illinois' largest gas utility has now asked for five brutal rate hikes in less than a decade, causing hardship for customers by increasing gas delivery charges by a staggering \$724 million since 2018 and helping the utility's parent company roll in outrageous profits. Heat is a human necessity, not a profit tool—but Nicor's push for a ridiculous 10.35 percent Return on Equity (ROE), or profit rate for shareholders, exposes this rate-hike request for what it is: A money-grab meant to benefit shareholders to the detriment of customers who just want to keep their homes warm in an Illinois winter. CUB will challenge this unfair rate hike—we urge state regulators to slash Nicor's reckless spending and hold the company accountable. Gas is unsustainably expensive and it threatens our health and climate. State officials must begin to plan for the long-term transition away from gas to heating alternatives that are cheaper, safer and more reliable. -CUB Executive Director Sarah Moskowitz

Background:

- On Friday, Jan. 3, Nicor Gas asked for a rate hike of about \$308.6 million, which is actually closer to \$325 million when accounting for taxes. The Illinois Commerce Commission (ICC) will rule on the request after an 11-month rate case.
- Nicor's rate-hike request includes a 10.35 percent Return on Equity (ROE), or profit rate for shareholders. The company also is asking for 54.595 percent in common equity for their capital structure.
- 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.
- According to a [Nicor filing](#), the hike would increase the customer charge by about 20 percent, to \$23.41 per month, and the per-therm distribution charge by about 26 percent, to 26.84 cents per therm.
- This is the fifth significant rate hike Nicor has requested since 2017. The company initially asked for about \$208 million in 2017, about \$230 million in 2018, about \$293 million in 2021 and about \$320 million in 2023. Those were believed to be record requests at the time, before Peoples Gas asked for an increase of more than \$400 million and received about \$303 million in 2023.
- Nicor has received a total of about \$724 million in rate hikes since 2018: \$93 million in 2018, \$168 million in 2019; \$240 million in 2021 and \$223 million in 2023. The \$308 million increase, if approved, would be the largest gas hike in Illinois history.
- 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 alternative supplier. All customers would pay these higher rates.
- There are plans and programs to assist customers who are having trouble paying their bills. We encourage consumers to contact their utility to get information about payment plans for which they may be eligible. Also, contact the Help Illinois Families call center, at 1-833-711-0374, to learn more about the Low Income Home Energy Assistance Program (LIHEAP).
- Nicor is Illinois' largest gas utility, serving 2.2 million residential, public sector and business customers. Its parent company, Southern Co., reported about \$3.9 billion in profits for the first nine months of 2024.

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For more than 40 years the Citizens Utility Board (CUB) has been 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.

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