



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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CUB APPLAUDS ICC FOR PUMPING BRAKES ON CONTROVERSIAL PEOPLES GAS PIPE-REPLACEMENT PROGRAM

Utility's Proposal Would Have Threatened Consumers with Recurring Record-Breaking Rate Increases as City Already Suffers from Heating Affordability Crisis

CHICAGO— Concluding a year-long investigation into concerns that Peoples Gas' controversial pipe-replacement program was ushering Chicagoans to the brink of a financial abyss, the Illinois Commerce Commission (ICC) Thursday significantly restricted the amount the utility sought to spend to complete the initiative. In a ruling on the future of Peoples' System Modernization Program (SMP), the Commission excluded large parts of Peoples' preferred pipe-replacement blueprint from the scope of expenditures it authorized and required the utility to take a more cost-conscious and incremental approach to the project.

Peoples' full proposal was estimated to cost \$12.8 billion, and [a recent report by the Citizens Utility Board \(CUB\)](#) and industry analysts Groundwork Data found that it would leave consumers battered by serial record-breaking rate hikes over the next 15 years.

In response to the ruling, CUB Executive Director Sarah Moskowitz made the following statement:

We thank the Commission for protecting consumers against the spiraling costs and intractable waste that have plagued Peoples Gas' pipe-replacement program from its inception.

For years, Peoples has sought to pad the costs of its SMP with unwarranted expenditures that inflate heating bills for consumers. Today, state regulators made clear that the company must justify its spending going forward. By approving only a portion of the pipe-replacement program, the Commission adopted a more cost-conscious, incremental approach to modernizing Peoples' system that spares Chicago families, who are already engulfed in a heating affordability crisis, from more unnecessary financial grief.

Peoples was threatening to compound their plight by proposing another pipe-replacement spending binge that would have subjected consumers to recurring record-breaking rate increases over the next 15 years, according to a study CUB released late last year. But with today's ruling, which limits Peoples discretion to replacing only the oldest, most vulnerable parts of its system, regulators stifled spending on work the utility couldn't justify as a demonstrable safety need. In doing that, they refused to succumb to bullying and pressure tactics that Peoples and its allies unleashed on them repeatedly over the past year.

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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 CUB's award-winning website, www.CitizensUtilityBoard.org.