



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

FOR IMMEDIATE RELEASE
Monday, April 20, 2026

CONTACT: Jim Chilsen, 312-263-4282 (w)
312-513-1784 (c), jchilsen@citizensutilityboard.org

CUB: ICC SHOULD REJECT MERGER OF ILLINOIS AMERICAN AND AQUA PARENTS

The Illinois Commerce Commission (ICC) should reject a proposed merger between the parent companies of the state's two biggest private water utilities—Illinois American Water and Aqua Illinois—because the deal would not serve the public interest, according to expert testimony filed by the Citizens Utility Board (CUB).

The parent companies of the utilities, American Water and Essential Utilities, [announced an “all-stock, tax-free” merger in October of 2025](#). The proposed transaction would result in Essential becoming a wholly-owned subsidiary of American Water. The combined utilities would serve 4.7 million water and wastewater customers across 17 states.

CUB pointed to the companies' poor track record in Illinois and challenged claims by corporate officials that the deal will allow them “to continue providing superior customer service at affordable rates.”

“Illinois American and Aqua have a long history of consumer complaints about escalating bills and poor service, and our expert testimony shows that there is no reason to believe that the merger will fix these problems,” CUB Executive Director Sarah Moskowitz said Monday. “That’s why we urge the ICC to reject this deal or set strong guardrails to hold these companies accountable to their long-suffering customers.”

Concerned about escalating Aqua and Illinois American bills for years, CUB has challenged the utilities' rate hikes before the ICC and worked to reform a state law that allows both companies to aggressively buy up depreciated municipal water and wastewater systems and charge their customers for 100 percent of the price tag. Those acquisitions have inflated Illinois bills by a total of more than \$411 million since 2013, [according to CUB research](#).

Writing on behalf of CUB, Bradley Cebulko, an expert on utility regulation with Current Energy Group, argued that the merging companies “have not provided sufficient evidence to demonstrate that the transaction is in the public interest.” If regulators approve the merger, CUB's testimony urged them to impose a five-year moratorium on further acquisitions until the merger is complete and the merged company demonstrates it meets certain performance standards.

In seeking regulatory approval of the merger, American Water has promised to “maintain current service quality,” but despite numerous requests by consumer advocates, the utility has failed to “define, measure, or verify” that commitment, according to CUB's testimony. “A commitment that cannot be defined, measured, or verified is not a meaningful regulatory assurance,” CUB's expert witness argued.

The watchdog's testimony went on to air other concerns:

Market consolidation: While it pursues this deal, American Water also is seeking ICC approval to buy Prairie Path Water Co. If the ICC approves these transactions, more than 99.99 percent of regulated water utility customers in Illinois—all but about 800 in the state—and all regulated wastewater utility customers will be served by affiliates of American Water. “This level of market consolidation raises obvious concerns,” CUB's testimony said.

-more-

Aggressive acquisitions: American Water’s attempt to land two mergers and continue with its aggressive strategy of buying up municipal systems just adds to administrative and technical burdens and could hamper their service quality. CUB’s testimony argued that the company has not “demonstrated adequate management of its existing Illinois systems, or that further system acquisitions by the combined entity would be in the public interest.”

Shoddy service quality: The companies have not demonstrated that past acquisitions have improved service, and in fact, service reliability across Aqua Illinois’ footprint is “declining, not stable,” according to CUB’s testimony. In the limited data they did provide, American Water showed a declining customer satisfaction metric from 2023 through 2025, CUB’s testimony said.

The merger is the latest news from Illinois American and Aqua, which for years have been the subject of intense criticism from their customers.

- Illinois American has won \$230 million in rate hikes over the last decade—\$110 million in 2024, \$85 million in 2022 and \$35 million in 2016. And now, a little over a year after their last rate hike took effect, the company is pushing for a \$134 million increase.
- Aqua won an \$11.6 million increase in 2024. 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. At an ICC forum in Crystal Lake in 2024, one customer toted a jar of cloudy brown-orange water she said came from her home.
- While customers pay higher bills, the merging parent companies have prospered. In 2025, [American Water](#) raked in \$1.1 billion in profits, and [Essential](#) \$616.4 million.

CUB’s testimony was filed April 9. The ICC is set to rule on the merger no later than Nov. 5. The companies hope to close the deal, which requires regulatory approval in multiple states, in the first quarter of 2027.

###

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.