



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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ADVOCATES URGE STATE REGULATORS TO LOWER PROPOSED ORDER'S RECOMMENDED \$66 MILLION RATE HIKE FOR PEOPLES GAS

*Proposed Ruling by Administrative Law Judges Would Cut Proposed Rate Hike by 54 Percent, but
Watchdogs Say More Fat Can be Trimmed*

A recommendation pending before the Illinois Commerce Commission (ICC) would give Peoples Gas the license to impose a \$66.2 million rate hike this winter on the utility's beleaguered customers, but the Citizens Utility Board (CUB) and other advocates Wednesday urged state regulators to carve deeper into the increase.

The ICC is slated to rule on Peoples Gas' proposed \$144 million rate hike ([Docket 26-0065](#)) in November. If adopted by regulators, the recommended ruling authored by administrative law judges — known as a “proposed order” — would leave more than 800,000 residential Peoples Gas customers across Chicago hampered by higher heating bills, CUB warned.

While the proposed order would shrink the rate hike by \$77.8 million, or 54 percent, CUB said there are still unjustified costs that could be shaved from the Peoples Gas proposal, given that the utility's customers have suffered for years under a heating affordability crisis.

"This is a step in the right direction, but we urge the ICC to go even further than the proposed order, at a time when it has never been more crucial for regulators to combat unwarranted utility costs," CUB General Counsel Eric DeBellis said. "Conditions for many Peoples Gas customers already were dire before the recent economic turmoil squeezed household budgets even further. Currently, more than 160,000 families have fallen more than 30 days behind on their Peoples Gas bills, and repeated rate hikes have left consumers more than \$90 million in debt to the company. In recent years, Commissioners have proven vigilant in cutting gas rate hikes beyond the levels recommended by proposed orders, and we hope they exercise that prudence again in this Peoples Gas case by lowering consumer costs further."

For years, Peoples Gas customers have suffered from escalating heating bills, and the utility's latest bid for another lucrative cash infusion comes as Chicagoans face additional cost increases for food, gasoline, and other household essentials. Over the past 15 years, the utility's total heating-bill increases are on the verge of a staggering \$500 million, including the highest gas rate hike in Illinois history in 2023. The serial increases — which have nearly doubled delivery charges on bills — are ostensibly to bankroll a pipe-retirement program that has been marred by mismanagement and waste. In fact, documents that Peoples submitted to the ICC show that the pipe program yields one penny in safety benefits for every dollar it consumes from ratepayers, according to an analysis by fellow consumer advocate Illinois PIRG.

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While customers suffer from high heating costs, Peoples Gas has prospered: Its out-of-state parent company, WEC Energy Group, made \$1.6 billion in profits in 2025, and in 2026 the utility itself is vying to break a profit record for the eighth time in 10 years.

CUB said the proposed order would force consumers to forfeit more money than Peoples has justified in its testimony to the ICC, including charges for the following:

- **Bloated depreciation rate.** The proposed order favors a higher depreciation rate than Peoples could justify on the record. The utility's infrastructure tends to last longer than the company claims it does for accounting purposes. This overstated depreciation expense costs ratepayers millions of dollars a year.
- **Corporate welfare.** The proposed order would force consumers to bankroll insurance coverage for Peoples Gas' corporate directors and officers. This insurance protects shareholders and executives, but historically, ratepayers have paid for it. CUB has proposed legislation to make this expense not recoverable through rates at all, but in this litigation, CUB proposes a 50/50 split as a compromise.
- **Private patronage.** The proposed order overburdens customers with Peoples Gas' forecasted costs for outside consultants, despite a history of repetitive over-budgeting for these expenses. In past rate cases, the commission has taken the utility's word for it, and the company has pocketed the difference. CUB calls on the commission to hold the company to a budget based on its recent history of actual outside professional services expenses.

In January, Peoples Gas filed a \$205 million rate-hike request with the ICC. In the spring, Consumer advocates led by the Illinois Attorney General's Office, Illinois PIRG and CUB filed testimony recommending that the ICC slash the rate hike by up to about 92 percent. Then, in July, Peoples Gas announced it was reducing its request by \$58 million. The \$144 million rate hike would increase bills by an average of about \$6 to \$8 a month. If approved, the increase would take effect around December, as the city descends into the thick of winter weather.

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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 helped save consumers more than \$20 billion by blocking rate hikes and securing refunds. For more information, call CUB's Consumer Hotline, at 1-800-669-5556, or visit CUB's website, www.CitizensUtilityBoard.org.