



Fight Soaring Gas Bills: Support HB 4898

HB 4898 would reform the Peoples Gas pipe-replacement program, and help prevent a financial disaster for Chicagoans

The problem:

Peoples Gas has mismanaged its gas-main replacement program, leading to spiraling costs and severe rate hikes. The program is financed through a special bill surcharge or “rider.” Peoples Gas has exploited the rider as if it were a blank check, leaving customers vulnerable to a doubling of gas bills.

What House Bill 4898 would do:

- Eliminate the surcharge Peoples Gas has used to bankroll a pipe-replacement program widely decried for its rampantly escalating cost estimates and chronic waste and mismanagement.
- Subject spending on the program to traditional regulatory oversight where Peoples Gas would face more robust scrutiny from the Illinois Commerce Commission (ICC).

Reasons to support HB 4898:

- A 2015 ICC-ordered audit found that projected costs for the Peoples Gas “System Modernization Plan” have skyrocketed. The program’s estimated price tag has grown from \$2.6 billion in 2009 to estimates of about **\$8 billion to \$11 billion** today.
- An analysis by Illinois Attorney General Lisa Madigan predicted that the program could **double gas bills by 2036** for Chicago customers, who already pay some of the highest rates in the Midwest.
- Despite the utility’s claims of improving safety, the 2015 audit found that **leaks had actually increased under Peoples’ management of the project.**
- A 2017 analysis by Crain’s Chicago Business found that Peoples’ per-mile cost for pipe replacement is now **double the inflation-adjusted amount it spent during the 1990s.**
- In January, the ICC approved the next phase of the program, in which Peoples Gas intends to spend about **\$300 million annually** over the next three years.
- Milwaukee-based WEC Energy Group, the owner of Peoples, reported **\$1.2 billion in profits in 2017**, partly fueled by a 14 percent increase in its operating earnings in Illinois.

Illinois’ major consumer advocacy groups support HB 4898:

AARP Illinois, the Citizens Utility Board (CUB), Illinois PIRG.

How to tell your representatives to support HB 4898:

- Use AARP Illinois’ hotline, **1-844-220-5552**, to call your state representative.
- Visit **CUBActionCenter.com** to email your state representative.