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RELEASE: Groups deliver more than 5,000 public comments calling for reform of Peoples Gas pipe replacement program

Utility regulators to conclude year-long investigation by mid-February

CHICAGO – As utility regulators at the Illinois Commerce Commission (ICC) near a final decision on its year-long <u>investigation</u> into the troubled Peoples Gas pipeline-replacement program, consumer and environmental organizations delivered more than 5,000 public comments calling for reform.

"On behalf of AARP's 250,000 members in Chicago and all older adults in the city, we continue to oppose Peoples Gas' relentless requests for ratepayers to foot the bill for its failed pipeline-replacement program," **said Al Hollenbeck, State President of AARP Illinois**. "At a time when older adults are already struggling to pay skyrocketing gas bills and are having to make tough choices about whether to heat their homes or skip prescriptions and basic necessities, Peoples Gas is asking them to give more toward a program that is already vastly overbudget, behind-schedule and has yet to show any measurable improvement in the safety of the system."

The pipe replacement program, cost estimates for which have grown from \$1 billion to more than \$12.8 billion, was the primary driver of the record \$305 million Peoples Gas_rate hike approved in November 2023, as well as six consecutive years of record Peoples Gas profits. As part of the 2023 rate decision, the ICC paused the pipeline program and launched an investigation (Docket 24-0081) into how it was managed.

"The mismanaged Peoples Gas pipe-replacement program has been a financial disaster for Chicago residents, and it's frightening to think it could get even worse if state regulators don't rein in the utility's reckless spending," **CUB Outreach Director Ivonne Rychwa said**. "We join the thousands of consumers who have signed petitions to urge the ICC to overhaul the pipe-

replacement program so that Peoples Gas efficiently replaces unsafe pipes and doesn't use the program as simply a tool to pad its profits."

A draft decision in the investigation <u>would allow</u> Peoples Gas to resume its troubled program without implementing meaningful reforms. The proposed order, authored by two Administrative Law Judges, would also require that the program speed up in order to conclude by 2035. To do so, Peoples Gas would likely need to spend an estimated \$550 to \$650 million per year, more than twice the average level of annual spending that was the primary driver of Peoples Gas' record-breaking rate hike in 2023.

"The Peoples Gas pipe replacement program prioritizes methane gas system expansion over public safety, driving up our bills and unnecessarily expanding fossil fuel infrastructure without cost-effectively making us safer," said <u>Illinois PIRG Director Abe Scarr</u>. "We join the thousands of Peoples Gas customers calling on the ICC to reform the program to cost less, make us safer, and facilitate the transition to clean energy."

The final ICC decision will likely be different. In recent high profile proceedings, the five members of the commission have significantly amended proposed orders to take tougher positions towards utilities.

Oral argument is scheduled for 1 p.m. Wednesday, Jan. 29 and a final decision is expected in February.

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