



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

FOR IMMEDIATE RELEASE:
Thursday, April 3, 2025

CONTACT: Jim Chilsen
312-263-4282 (w), 312-513-1784 (c)

CUB: 104% INCREASE IN PEOPLES GAS PRICE IN APRIL EXPOSES HOW UTILITY MISLED CUSTOMERS ON RECORD RATE HIKE

A spike in April's heating fuel price shows that Peoples Gas drastically understated the fallout customers would experience from a record-breaking rate hike the company imposed last year, the Citizens Utility Board (CUB) warned Thursday.

Peoples Gas instituted a \$300 million rate hike in December 2023, claiming that the cost increase – the largest for a gas utility in Illinois history – would be neutralized by declining gas prices. As a result, the company said the massive rate hike was “not expected to increase the typical customer’s bill.” That forecast proved deceptive in the wake of disclosures this week that the utility’s gas supply price in April has more than doubled over what it was a year ago.

Peoples Gas’ price of 52.79 cents per therm in April is about 30 percent higher than March’s price, and about 104 percent higher than April 2024. It’s the second-highest price Peoples Gas has charged during the month of April in the last decade.

The gloomy news comes as Chicagoans are already suffering what consumer advocates have decried as a heating-affordability crisis, as the mounting cost of Peoples Gas service has left its customers reeling in debt. In February, nearly 150,000 Chicago households were more than 30-days delinquent on their Peoples Gas accounts, and customers were shackled to more than \$74.5 million in cumulative debt to the company, according to data the utility has submitted to the Illinois Commerce Commission (ICC).

“Peoples Gas misled its customers,” CUB Executive Director Sarah Moskowitz said. “It was absurd for the utility to claim that its rate hike wouldn’t lead to higher bills. The supply price spike took effect on April Fools’ Day, but this is no joke for so many Chicago families who are struggling to afford their heating bills. We hope it’s a warm spring.”

In a [January 2023 news release](#) announcing that it had filed for an increase in gas delivery charges, Peoples assured customers: “The filing is not expected to increase the typical customer’s bill.” The utility explained that gas supply prices were forecast to decline over the next two years, and that decline would balance out the increase they sought on the delivery side of bills.

At the time, consumer advocates scoffed at Peoples Gas’ claim. CUB and others argued that while gas prices do drop temporarily at times, they also regularly spike in the volatile commodity market. It was only a matter of time before an increase in the supply price would combine with the delivery rate hike to increase overall bills, advocates said.

In November of 2023, Peoples Gas won a \$303 million rate hike and imposed it on customers the following month. That increase—the largest gas hike in Illinois history—helped capture record profits for the utility in 2024, marking seven out of eight years Peoples has set an earnings record.

And now supply prices are moving up also. After a two-year stint of relative price stability, Peoples Gas’ supply rate has been steadily increasing, from 31.73 cents per therm in December 2024 to 52.79 cents per therm this month.

-more-

309 W. Washington St., Suite 800, Chicago, IL 60606
Phone (312) 263-4282 | Toll Free 800-669-5556 | Fax (312) 263 4329

The supply portion of gas bills—the price that is spiking in April—takes up roughly a half to two-thirds of total costs. The delivery portion—what Peoples Gas increased in its record-breaking \$303 million rate hike—roughly takes up a third to a half of bills. It covers the costs of delivering gas to homes, plus a profit for Peoples Gas.

Under Illinois law, gas utilities like Peoples Gas are not allowed to profit off supply prices—they pass those costs from gas producers and marketers onto customers with no markup. State regulators annually review the utilities' gas-management procedures to evaluate whether the companies did a reasonable job with their gas purchases, given market conditions, to hold down costs for consumers as much as possible. Regulators can order refunds if they find the gas utilities were imprudent.

Other gas utilities in the Chicago region are also seeing significant increases: Peoples' sister company, North Shore Gas, saw an increase of about 58 percent from last April, to 56 cents a therm, and Nicor Gas' price increased about 71 percent to 58 cents a therm.

The higher prices are bad news for Chicago-area heating customers, who had to endure the long Chicago cold season and still face winter-like weather in April. The volatility and unaffordability of the gas market is why CUB is advocating for a managed, long-term transition to cleaner, more affordable heating options, such as electric heat pumps.

As for this month, CUB recommended that customers having trouble affording their gas bills visit CitizensUtilityBoard.org for energy efficiency tips and also [visit the website of the Illinois Department of Commerce and Economic Opportunity to learn if they qualify for energy assistance.](#)

CUB also warned consumers to beware of bad deals peddled by alternative gas suppliers in Chicago. Such suppliers are impacted by the same market conditions as regulated utilities, and they can set their prices as high as they want. Far from being an opportunity to save money, the gas market too often has been filled with misleading marketing and bad deals. If a deal seems too good to be true, there's a good chance it is. Even in this market, it's likely the utility is your best bet over any alternative supplier offer.

###

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.