



For Immediate Release
May 25, 2016

Bob Gough
217-782-5793
bgough@icc.illinois.gov

ICC Approves \$18.5 million in Settlements with Peoples Gas

CHICAGO– The Illinois Commerce Commission (ICC) has approved two landmark settlements under which \$18.5 million will be paid to customers of Peoples Gas (Peoples) and the State of Illinois by Peoples and its parent company, Integrys Energy Group (Integrys), which is owned by WEC Energy Group Inc. (WEC).

The settlements total \$18.5 million and resolve investigations into statements made by representatives of Peoples, Integrys and WEC before the Commission concerning the estimated long-term cost of the Accelerated Main Replacement Program (AMRP).

As part of the settlement, officials with Peoples and Integrys admit information was omitted, namely the preliminary cost estimate indicating the AMRP would cost more than \$8 billion, from their discussion of the AMRP at the ICC's May 20, 2015 open meeting.

Peoples admits the omitted information was material to the Commission's oversight and regulation of Peoples and the AMRP, pursuant to the Public Utilities Act. The ICC approved the Integrys/WEC merger on June 24, 2015 and company officials apprised the ICC of the revised estimate on July 27, 2015.

A \$7.5 million settlement resolves the ICC's investigation. In this agreement, the companies will pay \$4 million into the Public Utilities Fund and \$500,000 into the General Revenue Fund. \$3 million will be dedicated to Peoples' "Share the Warmth" fund, a program that provides heating grants to limited and fixed-income households.

A related \$11 million settlement resolves the Illinois Attorney General's investigation. The company will pay \$10 million in rebates to all of Peoples' customers and \$1 million to reconnect and forgive outstanding debt to low-income customers who have had their gas disconnected.

ICC Chairman Brien Sheahan condemned the company employees responsible for omitting the information from the Commission.

"Obviously, the conduct of utility employees who were involved in this matter is deplorable," Sheahan said. "The Commission always expects that employees of entities who appear before the Commission will do so with honesty and integrity. When they fail to do so, there will be significant consequences."

Sheahan also thanked the Commission staff for its work and the Attorney General's office and Citizens Utility Board for their efforts and their advocacy for ratepayers.

“We are here today because of an enforcement tool written and advocated for by the Citizens Utility Board to ensure that individuals and entities that appear before the Commission can be held accountable when they undermine the process,” Sheahan said. “This settlement represents, perhaps, the only enforcement action in the country based on a company’s omission.”

ICC Executive Director Cholly Smith said the settlement serves as a deterrent.

“This settlement is unprecedented in its scope as this law has not been enforced by the Commission or a court since it was first enacted in 2003,” said ICC Executive Director Cholly Smith, citing Section 5-202.1 of the Public Utilities Act, [220 ILCS 5/5-202.1](#), regarding misrepresentations to the Commission. “It sends a strong message that the ICC will not tolerate attempts to impede the regulatory process. This action protects the integrity of that process.”

The Commission vote was 4-1. Commissioner Miguel del Valle cast the dissenting vote.

Consumer refunds will begin within 90 days of today’s Commission approval. The company’s payments to the State of Illinois are to be made within 10 days of today’s [final order](#).

###

Follow the Illinois Commerce Commission on twitter [@ILCommerceComm](#).

About the Illinois Commerce Commission

The Illinois Commerce Commission’s mission is to pursue an appropriate balance between the interests of consumers and existing and emerging service providers to ensure the provision of adequate, efficient, reliable, safe and least-cost public utility services. The Commission pursues this mission through three bureaus: The Bureau of External Affairs, which provides educational information on utility issues for consumers, governmental entities and communities and through its Consumer Services Division, resolves customer/utility disputes and develops rules on utility service and consumer protection; the Public Utilities Bureau, which focuses on financial and operational analysis, policy development, public safety and enforcement activities related to electric, natural gas, water, sewer and telecommunications companies; and the Transportation Bureau, which includes trucking insurance and registration, railroad safety, relocation towing, safety towing and household goods moving company enforcement activities. The ICC’s five commissioners are appointed by the Governor and approved by the Illinois State Senate for five-year terms.