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ICC Issues a Decision on Nicor Gas' Request for a General Rate Increase

Chicago, IL...On Wednesday, October 2, 2019, the Illinois Commerce Commission (ICC) adopted an Order ([Docket No. 18-1775](#)) authorizing changes to Nicor Gas' base rates (rates excluding surcharges and other separate fees and charges) for its natural gas delivery services in Illinois. The Commission approved an annual average increase of about 22% in delivery base rates, which is about 7% less than requested by Nicor. The new rates are expected to take effect on October 8, 2019.

The impact on an individual customer will vary based on customer's service class and energy usage. An average residential customer (with about 80 therms per month usage) may see about a \$4.74/month increase in its base delivery charges. Approximately 30% of this increase, however, will be offset by a corresponding reduction in the "Qualifying Infrastructure Plant" (QIP) surcharges. The QIP surcharge recovers Nicor's costs to replace aging mains, relocate meters from inside customers' homes to more accessible locations, replace low pressure systems with high pressure systems, and to make other investments for safety and reliability purposes. Nicor requested the general increase to address its continuing investment in gas infrastructure modernization that Nicor is currently recovering, in part, through QIP surcharges.

The Commission adjusted Nicor's proposed operational and capital costs, including the depreciation expenses, customer deposits amounts, and pension and other post-employment benefit expenses. The Commission also approved a rate of return on equity (ROE) of 9.73%, which is lower than Nicor's current authorized ROE of 9.8% and lower

than Nicor's ROE request of 9.86%. The decision also rejected the Administrative Law Judge's recommended ROE of 9.13%, finding it not reasonably sufficient to assure the confidence in the financial soundness of the Company as required by the longstanding Supreme Court doctrine set forth in the Court's *Bluefield* and *Hope* decisions.

Nicor Gas delivers natural gas to 2.2 million residential, public sector and business customers in more than 650 communities throughout northern Illinois.

More information regarding this rate case docket and the Order can be found by visiting [Docket No. 18-1775](#) on the ICC website.

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About the Illinois Commerce Commission

The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses and repossession agencies. The Commission's Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities and equipment in the state.

To learn more about the Commission, its offices and bureaus, click [here](#). If you are a consumer who needs help resolving a utility dispute call 800-524-0795 or file an online complaint [here](#). For a complaint related to transportation, call 217-782-6448.

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