



**For Immediate Release**  
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## ICC Cuts Peoples Gas Recovery Costs for System Modernization Program Proceeds split between customer refunds & *Share the Warmth* Program

Chicago, IL... The Illinois Commerce Commission voted unanimously on Tuesday to approve a settlement with Peoples Gas Light and Coke Company (Peoples Gas) that reduces by \$5.4 million the company's recovery of investments associated with Qualifying Infrastructure Project (QIP) during 2014. The settlement will result in a refund to customers, and holds the company accountable for past failures to address major cost overruns, delays, and a lack of proper management oversight of its system modernization program (SMP).

Under the settlement in Docket No. 15-0209, approximately \$4.7 million will be divided between (a) assistance to low-income customers, and "Share the Warmth," a Peoples Gas program which provides heating grants to limited and fixed-income households having trouble paying their bills, and (b) refunds to customers as a one-time credit on their bills. Additionally, Peoples Gas will not report late payments by its customers to credit reporting agencies through December 2023. The company must solely fund the Share the Warmth program from February 1, 2018 through December 31, 2018, eliminating a required customer matching payment. Finally, Peoples Gas must increase customer outreach efforts to insure access to Share the Warmth funds.

In addition, [in response to the Commission's recent order requiring companies to pass along savings from the federal tax reform law](#), Peoples Gas must also seek commission approval of its tax rider adjustment.

"Under Section 9-220.3 of the Public Utilities Act, the ICC is mandated to approve QIP recovery costs when they are deemed reasonable and prudently incurred. This has been no simple task; ICC staff has analyzed every work order, invoice, permit, and management decision made by Peoples Gas in 2014.

The settlement, which was also signed by the Attorney General’s Office, the Citizens Utility Board, and the City of Chicago, holds Peoples Gas responsible for its past careless spending, and benefits customers, particularly low and fixed-income families struggling to afford heat for their homes,” said Cholly Smith, Executive Director of the Illinois Commerce Commission.

In 2013, the Illinois General Assembly passed and former Governor Pat Quinn signed into law the QIP legislation (PA-98-57) allowing gas utilities to impose a surcharge on customers to recover the costs of replacing aging natural gas pipe, upgrading systems and moving customer meters outside of homes for easier inspections.

The law was adopted following a March 2011 Pipeline and Hazardous Materials Safety Administration (“PHMSA”) call to action after a series of deadly gas explosions around the country.

The Peoples Gas SMP calls for replacement of 2,000 miles of cast iron and other aged mains, upgrading of 300,000 customer service lines and relocating of gas meters from inside customer premises to outside, over a 20 year period.

Formal investigations into the prudence of QIP-related costs in 2015 and 2016 are currently pending before the Commission.

An executive summary and historical narrative on the Peoples Gas Light and Coke Company System Modernization Program can be found by clicking [here](#). To review the final order for Docket No. 15-0209 click [here](#).

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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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