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ICC Orders Five Major Illinois Utilities to Share Tax Savings with Customers

The Illinois Commerce Commission Thursday approved tariffs requiring Peoples Gas, North Shore Gas, Nicor Gas, Ameren Gas and Illinois-American Water Company to pass on to their customers the savings from reductions in federal corporate income taxes. The five companies are among the largest utilities in the State of Illinois. Customers of these companies will begin seeing credits to their utility bills in the coming months.

Utilities, including Peoples Gas, North Shore, Nicor, Ameren and Illinois-American collect tax expenses through their rates. The Federal Tax Cuts and Jobs Act of 2017 (TCJA), effective January 1, 2018, reduced the corporate income tax rate from 39% to 21%.

“The Commission’s orders Thursday will ensure that tax savings will be passed on to utility customers,” said Commission Executive Director Cholly Smith. “In light of steep reductions in corporate taxes it was vital to find a way to promptly pass savings to consumers. The Commission’s action does exactly that.”

The impact of the tax changes will vary based on the size of the company, but are expected to result in 2018 savings that range from an estimated \$3.3 million for North Shore customers to over \$30 million per year for Peoples Gas.

The Commission approved Variable Income Tax Adjustment Riders (“Riders VITA”) for each of the utilities. The Riders require each utility to begin crediting consumers for the estimated tax savings, beginning with each utility’s next billing cycle. At the end of each year, the Companies will file a proceeding with the Commission to reconcile the estimated tax savings with the actual savings recognized by the Company. This reconciliation will ensure that all tax savings are reflected in customer rates.

The Commission's Staff worked closely with Nicor, Peoples, North Shore, Ameren and Illinois-American, the Citizens Utility Board, the Office of the Illinois Attorney General and other interested parties to develop the tax refund tariffs that were approved by the Commission.

Earlier this year the Commission approved requests from Commonwealth Edison Company and Ameren electric to begin including estimated credits for the tax changes on customers' bills.

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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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