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## ICC Issues Decision on Peoples Gas' General Rate Increase Request Rehearing

Springfield, IL – Today, the Illinois Commerce Commission (ICC) authorized a \$1.6 million increase to Peoples Gas' revenue requirement to perform emergency work related to its natural gas delivery services in Illinois. The utility initially requested a \$7.9 million increase in its rehearing filing, and today's authorized increase is an additive to the \$302.8 million approved in the [ICC's November 2023 rate case decision](#).

“The Commission's decision should in no way prohibit Peoples Gas from performing necessary emergency work to maintain a safe and reliable gas system,” said **ICC Chairman Doug Scott**. “While still important, the bulk of Peoples' system and public improvement work falls under the utility's general reliability responsibilities to its consumers and does not constitute true emergency work. To recover system costs from consumers, it is Peoples' and any utility's responsibility to demonstrate that its project costs are prudent and reasonable.”

In January, the ICC initiated a limited scope rehearing to determine if Peoples Gas required a revenue requirement increase to address work-in-progress and emergency work tied to the utility's paused and over-budget System Modernization Program (SMP).

Today's rehearing decision allows Peoples to recover costs for work it performs on emergency response to leaks, pipe breaks, or other critically important safety measures, and gives Peoples additional funding to perform necessary and legally required work on its natural gas system while the ICC continues its investigation into SMP.

Over the course of the rehearing, the ICC found Peoples Gas was not able to prove it had not already recovered certain proposed work-in-progress project costs. To ensure that customers are not overpaying for work performed, the ICC declined to approve cost recovery for these projects. This decision does not prevent Peoples from completing necessary work; rather, it delays the company's ability to seek cost recovery for the work until the utility can sufficiently demonstrate that it has not already recovered those same costs.

“Peoples' SMP is a complex program that has been going on for more than a decade. Transparency is and will continue to be of the utmost importance when it comes to understanding the investments and activities needed to proactively modernize Illinois' utility system,” said **ICC Commissioner Stacey Paradis**.

The ICC issued its decision after closely scrutinizing Peoples' rehearing filing, along with materials submitted by the utility, Commission staff, and other intervenors over a five-month legal proceeding. In accordance with the Illinois Public Utilities Act, these costs are only recoverable if a utility demonstrates they represent prudent investments and produce just and reasonable rates for consumers.

In February 2024, the Commission began a separate investigation into Peoples' SMP, which will continue through early 2025 and inform how the ICC directs the utility to cost-effectively remove cast iron and ductile iron pipe from its natural gas system. It is the utility's responsibility to continue to maintain a safe and reliable system while this investigation is ongoing. Additional information about the ICC's SMP investigation can be found in Docket No. [24-0081](#).

More information on Peoples Gas consolidated rate case can be found in Docket Nos. [23-0068](#) and [23-0069](#).

### **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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