

RESOLUTION: Call for Hearing on Proposed Rate Hikes by Peoples Gas Company

WHEREAS, Peoples Gas provides gas to 884,000 customers in Chicago, all of whom will be impacted by rate hikes if a new request by Peoples Gas is approved; and

WHEREAS, in January 2023, Peoples Gas requested that the Illinois Commerce Commission (ICC) approve a \$402 million rate hike – including \$207 million for a pipeline replacement program – that would add an average of \$11.83 per month to residential gas bills; and

WHEREAS, this rate hike request amounts to the largest gas rate hike request in Illinois history at a time when Chicagoans are facing a heating affordability crisis due to aggressive spending by Peoples Gas and chronically volatile supply prices; and

WHEREAS, the Executive Chairman of WEC, the Peoples Gas parent company, has told Wall Street analysts on multiple earnings calls that Peoples Gas will file annual rate hikes in order to continue spending aggressively on its pipe replacement program, budget estimates for which have ballooned from \$2 billion to up to \$11 billion; and

WHEREAS, Peoples Gas has proposed charging its residential customers a \$45 fixed monthly charge, making it challenging for customers to reduce bills through conservation and energy efficiency; and

WHEREAS, 2022 was Peoples Gas' sixth straight year of record profits, amounting to \$208 million throughout the year; and

WHEREAS, Peoples Gas collected \$32 million in late fees in 2022; and

WHEREAS, in its second quarter 2023 report to the Securities and Exchange Commission, Peoples Gas parent company WEC credited increasing late fee revenue as a primary driver of year over year profit increases during the quarter, as it has done repeatedly in recent years; and

WHEREAS, from April to November 2022, Peoples Gas disconnected households in Black and brown neighborhoods at nearly triple the rate of households in white neighborhoods with similar income levels; and

WHEREAS, information regarding equitable access to utility service and the impact of this rate hike on communities across Chicago is essential when understanding the ramifications of this

historic rate hike; and

WHEREAS, zip code data Peoples Gas submitted to the ICC in April 2023 revealed that Chicago consumers in the most debt to the company resided primarily in Black and Brown communities on the City's South and West sides; and

WHEREAS, according to this data, nearly 49% of customers in Englewood are behind on their bills and the average debt for per customer in arrears is more than \$1,100, resulting in more than 1 in 10 households at risk of disconnection; and

WHEREAS, in the 2023 Mayor's Transition Report, it was found important to strengthen the infrastructure of disenfranchised communities, such as communities of color and low-income communities, noting that these communities face the highest utility burden; and

WHEREAS, a goal identified by the Transition Report was to move utility supply in a more equitable and affordable direction, taking into account the burdens faced by communities across Chicago as it relates to utility costs; and

WHEREAS, Peoples Gas does not operate under a franchise agreement with the City of Chicago, but rather under a perpetual charter granted by the Illinois General Assembly in 1855 and consented to by the City in 1858; and

WHEREAS, without a regularly negotiated Peoples Gas franchise agreement, it is incumbent upon City Council to employ hearings and other means to ensure transparency and accountability with the City's gas utility; and

BE IT RESOLVED, that we, the members of the City Council for the City of Chicago, do hereby call on the Committee on Environmental Protection and Energy to hold a hearing on the record rate hike proposed by Peoples Gas and the subsequent impact on Chicagoans.