29 September, 2026

Illinois Commerce Commission
Leland Building, 527 East Capitol Avenue,
Springfield, IL 62701

Re: ICC Docket No. 26-0065

Chair Scott and members of the Illinois Commerce Commission,

As elected officials representing Peoples Gas customers, we urge you to oppose Peoples Gas' proposed rate hike, reject its request for an excessive profit rate, and continue to pursue reforms to its Pipe Retirement Program (PRP). On its current trajectory, Peoples Gas' PRP would lead to punishing rate hikes and frustrate clean energy and climate goals for Chicago and Illinois.

In 2023 Peoples Gas implemented the largest gas utility rate hike in Illinois history. If its current request is granted in full, Peoples Gas rates will have increased by 71% in just 4 years. Many of our constituents are already struggling to afford their home heating bills on top of other escalating cost of living expenses. As of December 2025, 17% of Peoples Gas customers were more than 30 days behind on their bills. In several zip codes, more than one in three households were in debt to Peoples Gas, with average debt levels of more than $500.

While our constituents face escalating bills, Peoples Gas has sent record profits to its out of state corporate parent in 7 out of the last 9 years. Peoples Gas' annual profits have increased by more than 400% since its pipe replacement program began, and it is now asking the Commission to raise its profit rate to an excessive 10.1%, authorizing $337 million in annual profits, all paid for by customers.

The main driver of Peoples Gas' dramatic rate hikes and record profits has been its troubled program to retire old iron pipes that pose safety risks. As the Commission itself has highlighted, the program has been plagued by delays and cost-overruns: Peoples Gas said it would replace all of its iron pipes by 2030 and cost $1.4 billion. Recent estimates suggest the program was actually on track to run through 2048 and cost $11 billion. Even worse: outside experts found that, despite billions of dollars of investment, pipeline failure rates weren't going down.

We appreciate the Commission's February 2025 action ordering Peoples Gas to better focus its program on addressing safety risks and to retire its remaining iron pipes by 2035. We are concerned, however, that instead of embracing reform, Peoples Gas is doubling down on its expensive, ineffective approach. Specifically, despite the Commission's clear direction, Peoples Gas appears to be proceeding with a plan to default to replacing pipes while not sufficiently considering alternatives.

This approach is too expensive, is unlikely to succeed, and could lock Chicagoans into paying for polluting fossil fuel infrastructure for decades to come.

- In recent years, Peoples Gas has spent an average of $265 million per year on pipe replacement. Now it's planning to spend more than twice that amount every year, around $535 million annually from 2028 through 2034. If it does, gas bills will skyrocket.
- Peoples Gas will need to retire more than 133 miles of pipe per year to meet the Commission's 2035 deadline. Its recent rate of replacement was 59 miles per year. Defaulting to replacement without meaningful consideration of alternatives is a recipe for more failure.
- When Peoples Gas installs a new gas pipe, it recoups its costs from customers over the life of the pipe, which could be 40 to 70 years. Installing more than 1,000 miles of new gas pipes could commit Chicagoans to pay for them until close to the end of the century.

Instead of its failed one size fits all replacement approach, Peoples Gas can implement strategies that deliver the most safety bang for the buck. There are viable alternatives to replacement that take less time and cost less, while improving safety just as much, if not more. And critically, these approaches facilitate, rather than frustrate, Chicago's transition to safer, cleaner energy to heat our homes.

We appreciate the Commission's commitment to safe, affordable, accountable utility service. We stand ready to work with you in our role as elected officials to achieve a better future for Chicago utility customers.

Again, please act to oppose the Peoples Gas rate increase, reject its request for an excessive profit rate, and continue to pursue reforms to its Pipe Retirement Program.

Sincerely,

Chicago City Council

Alder Derrick Curtis, 18th Ward
Alder Jessie Fuentes, 26th Ward
Alder Maria Hadden, 49th Ward
Alder Brian Hopkins, 2nd Ward
Alder Timmy Knudsen, 43rd Ward
Alder Daniel La Spata, 1st Ward
Alder Leni Manaa-Hoppenworth, 48th Ward
Alder Matthew Martin, 47th Ward
Alder Anthony Quezada, 35th Ward
Alder Julia Ramirez, 12th Ward
Alder Brendan Reilly, 42nd Ward
Alder Michael Rodriguez, 22nd Ward
Alder Rossana Rodriguez, 33rd Ward
Alder, Byron Sigcho-López, 25th Ward
Alder Jeanette Taylor, 20th Ward
Alder Andre Vasquez, 40th Ward
Alder Scott Waguespack, 32nd Ward
Alder Desmon Yancy, 5th Ward

Illinois State Senate

Sen. Omar Aquino, 2nd District
Sen. Javier Cervantes, 1st District
Sen. Lakesia Collins, 5th District
Sen. Graciela Guzman, 20th District
Sen. Mike Simmons, 7th District

Illinois State House of Representatives

Rep. Kelly Cassidy, 14th District
Rep. Michael Crawford, 31st District
Rep. Edgar Gonzalez Jr., 23rd District
Rep. Will Guzzardi, 39th District
Rep. Sonya Harper, 6th District
Rep. Hoan Huynh, 13th District
Rep. Lilian Jimenez, 4th District
Rep. Lindsey LaPointe, 19th District
Rep. Theresa Mah, 24th District
Rep. Yolonda Morris, 9th District
Rep. Kevin Olickal, 16th District
Rep. Aaron Ortiz, 1st District
Rep. Abdelnasser Rashid, 21st District
Rep. Ann Williams, 11th District
Rep. Lisa Davis, 32nd District