



CITIZENS UTILITY BOARD
Fighting for Illinois Consumers

Illinois PIRG

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**TOUGH TIMES FOR NORTHERN ILLINOIS GAS CUSTOMERS: SUPPLY PRICES UP 15-56%,
NICOR GAS HITS CUSTOMERS WITH RATE HIKE, PEOPLES GAS PLANS INCREASE IN 2026**

Weeks ahead of expected Peoples Gas rate-hike filing, consumer advocates summarize state of Chicago region gas customers and warn of affordability crisis for far too many families, seniors

A new analysis by consumer advocates Thursday shows that December supply prices charged by northern Illinois gas utilities are about 15 percent to 56 percent higher than they were at the same time last year – a surge that highlights misleading claims by at least one utility that low fuel costs would offset a record rate hike it proposed.

The findings from a “state of the Illinois gas market” review come as Nicor Gas just hit customers with their fifth delivery rate hike in less than a decade, and Peoples Gas announced plans to push for a new hike in 2026, just three years after receiving the largest gas increase in Illinois history.

At a time when consumers are paying inflated costs for necessities such as groceries and healthcare, consumer advocates warn that the combination of escalating heating gas prices and serial rate-hike proposals by the region’s gas utilities are likely to exacerbate hardships for Illinois households this winter.

“This amounts to a double-whammy for gas customers—the volatile market is hitting them with price spikes on one part of the bill, while utilities continue their aggressive spending to jack up rates on another part of the bill,” said Sarah Moskowitz, executive director of the nonprofit utility watchdog Citizens Utility Board (CUB). “While gas utilities enjoy excessive profits, we have serious concerns about the well-being of heating customers this winter.”

The price spike exposes a misleading forecast Peoples Gas publicized in 2023 when, in an effort to pacify concerns about the record-breaking \$402 million rate hike the utility had proposed, company officials [claimed](#) that lower gas supply prices would defray the increase it sought on the delivery side of bills. Although state regulators cut the rate hike significantly, Peoples Gas still eventually received a record \$306 million delivery increase, which began to hit customers in December 2023—and the purportedly low gas prices were only temporary.

Nationally, gas prices recently [hit a three year high](#). Analysts [predict](#) prices will rise higher and grow more volatile as increasing volumes of fuel are exported through liquefied natural gas facilities. The U.S. is expected to nearly double gas exports over the next five years.

“Gas utilities took advantage of a decade of relatively low gas prices to spend excessively, driving up delivery rates and utility profits,” said Illinois PIRG Director [Abe Scarr](#). “Because of that, modest increases in the cost of gas hit customers much harder. As gas prices look to rise even higher and grow more volatile, gas utility customers are vulnerable to spiking home heating bills. That’s why it’s important to invest in energy efficiency, rein in rate hikes and transition to safer, cleaner energy to heat our homes.”

Major charges on gas bills are divided among supply and delivery fees. The utilities pass supply costs—the price for

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buying the actual fuel—onto customers, with no markup. Delivery charges cover the utilities’ cost of delivering gas to homes through their pipe network—plus a profit. Under utility regulation, the gas companies earn a return on their infrastructure investments, incentivizing them to spend aggressively and push for rate hikes in recent years.

The following review shows consumers in the Chicago region and across northern Illinois face affordability challenges caused by elevated gas supply prices as well as aggressive utility rate-hike campaigns.

Nicor

Delivery rates (roughly two-thirds of gas bills): In November, the Illinois Commerce Commission (ICC) slashed Nicor’s rate-hike request by 47 percent, but the company still received a \$167.8 million increase, which means customers will pay an average of about \$4.25 a month in higher bills. Since 2017, Nicor has increased delivery rates five times, for a total of \$898 million, or 137 percent.

Supply rates (roughly a third of gas bills): Gas prices in 2025 were higher than last year in 10 out of 12 months, by a range of about 3 percent to 71 percent. Nicor’s December gas supply price of 39 cents per therm is 56 percent higher than last December.

Affordability Statistics, October 2025 (Source: ICC):

- Customers Receiving Disconnect Notice: **37,502**
- Customers Past-Due on Their Bills by +30 Days: **203,953**, for a total of **\$49,692,690.40**

Profits: Nicor’s parent company, Southern Co., has raked in \$3.9 billion in profits over the first 9 months of 2025.

Peoples Gas/North Shore Gas

Delivery rates (roughly two-thirds of gas bills): Peoples Gas has raised rates by \$499 million, or 98 percent, since 2011—including a state-record \$306 million rate hike in 2023. In late October, WEC Energy Group, the parent of Peoples Gas, announced that Peoples Gas would push for yet another rate hike in 2026.

North Shore Gas, the sister company to Peoples Gas, received an \$11 million rate hike in 2023.

Supply rates (roughly a third of gas bills): Peoples Gas supply prices in 2025 were higher than last year in all 12 months, by a range of just under 1 percent to 116 percent. Peoples’ December gas supply price of 40.63 cents per therm is about 28 percent higher than last December.

North Shore Gas’ monthly supply prices were higher than the previous year in 11 out of 12 months in 2025, by a range of about 9 percent to 81 percent. In December, North Shore is charging 51.53 cents per therm, which is about 15 percent higher than last December.

Affordability Statistics, October 2025 (Source: ICC):

- Customers Receiving Disconnect Notice:
 - Peoples Gas: **55,606**
 - North Shore Gas: **2,648**
- Customers Past-Due on Their Bills by +30 Days:
 - Peoples Gas: **142,984**, for a total of **\$66,523,009.00**
 - North Shore Gas: **\$1,674,784.00**

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Profits: WEC Energy Group, the parent company of Peoples, has raked in \$1.24 billion in profits over the first 9 months of 2025. Peoples itself has recorded record profits seven out of the last eight years, thanks to its over-budget, behind-schedule pipe-replacement program. (**State regulators this year ordered Peoples to reform the program** to cost-effectively focus on replacing the riskiest pipes.)

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For more than 40 years, the **Citizens Utility Board (CUB)** has been Illinois' leading nonprofit utility watchdog group. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, CUB has helped save consumers more than \$20 billion by blocking rate hikes and securing refunds. For more information, call CUB's Consumer Hotline, at 1-800-669-5556, or visit CUB's website, www.CitizensUtilityBoard.org.