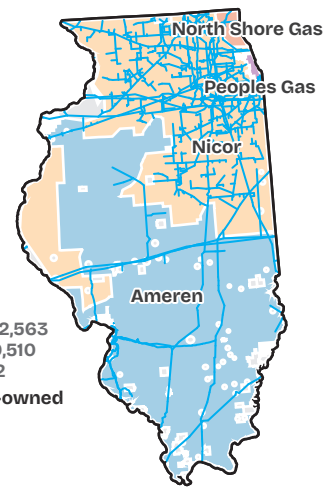


Paying More for Less

Rising Gas Bills in Illinois



Customers
by type (2024)

Source: EIA

Residential: 4,002,563

Commercial: 300,510

Industrial: 22,462

Largest investor-owned
gas utilities

Ameren

Nicor

North Shore Gas

Peoples Gas & Light

Gas bills are on the rise,
even though customers
are using less **gas**.

Because of efficiency improvements and fewer heating days, gas consumption per residential customer is declining. The typical Illinois residential gas customer uses 26% less gas today compared to 2014. But the total charge for that gas (supply charge + delivery charge + surcharges) is rising. Over the last five years, residential customer **gas bills have increased ~8% year over year**.

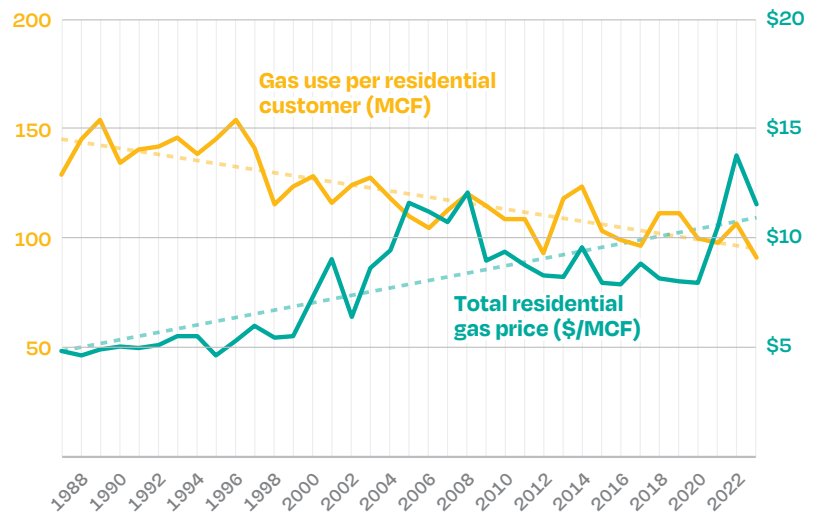
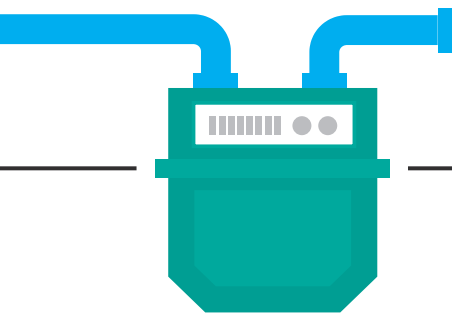


Figure 1: IL gas use per residential customer
& total residential cost of gas

Source: EIA



Customers pay more
for **pipes** ("delivery")
than for the **gas** itself.

Residential gas delivery charges in Illinois have overtaken charges for the gas. In 1984, 64% of a gas bill went toward the fuel itself ("gas") and 36% toward paying for pipes and other infrastructure, utility operating costs, and taxes ("delivery"). In the early 2010s, this flipped. Today, roughly one-third of charges are for gas and two-thirds are for delivery charges that will not fall with lower use.

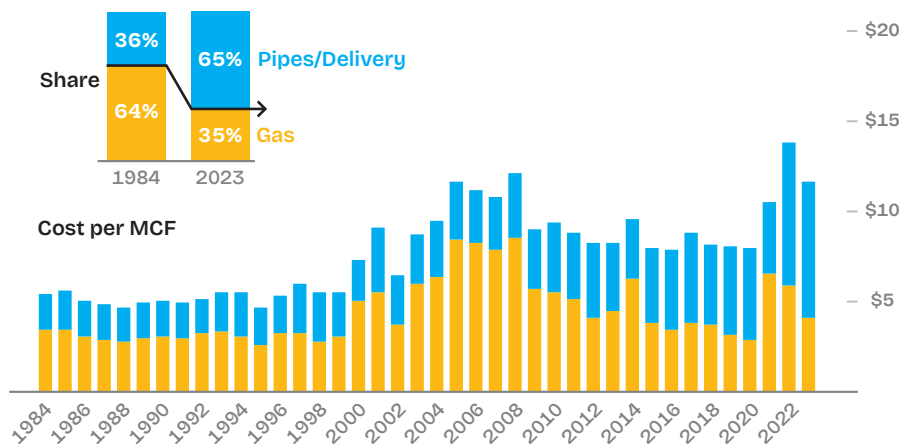


Figure 2: IL residential delivery charges & supply cost of gas

Source: EIA



Aggressive capital spending is driving up customer rates.

Together gas utilities like Ameren, Nicor, North Shore Gas, and Peoples Gas & Light are investing billions to excavate and replace old pipelines and install other infrastructure, often taking advantage of state policies that encourage such spending. Over the last 10 years, the four largest gas utilities grew their gas assets from \$12B to over \$24B, despite homes using less gas.

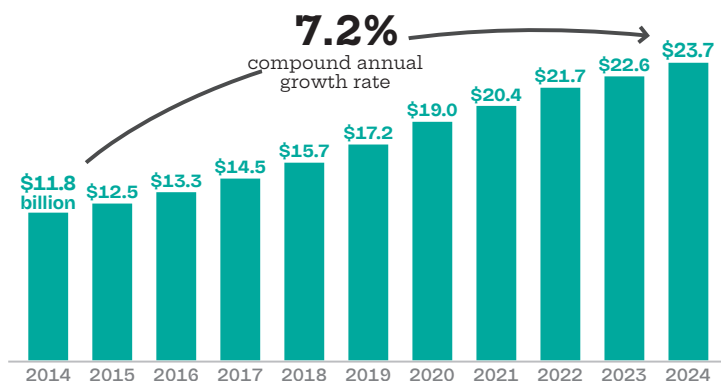


Figure 3: Growth in equipment and facilities for the four largest IL gas companies

Source: Utility annual filings for Ameren, Nicor, North Shore Gas, and Peoples Gas & Light

Utilities profit from investing in pipes, not selling gas.

In Illinois, 29% of delivery charges for the four largest gas utilities go to profits and financing costs. The authorized rate of return on these investments ranges from 6.65% to 7.05%. In addition, 25% of delivery charges go to repaying the costs of construction, including significant pipeline replacement.

When utilities spend on pipes, they earn more — and delivery charges go up.

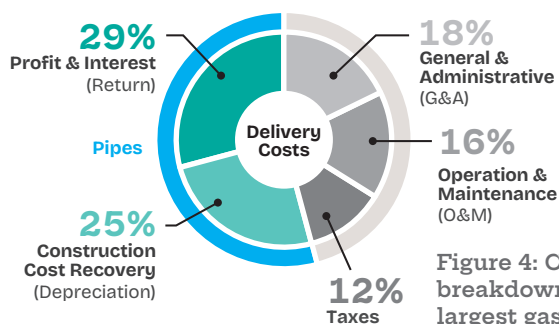


Figure 4: Cost of service breakdown for the four largest gas utilities

Source: Illinois Commerce Commission orders



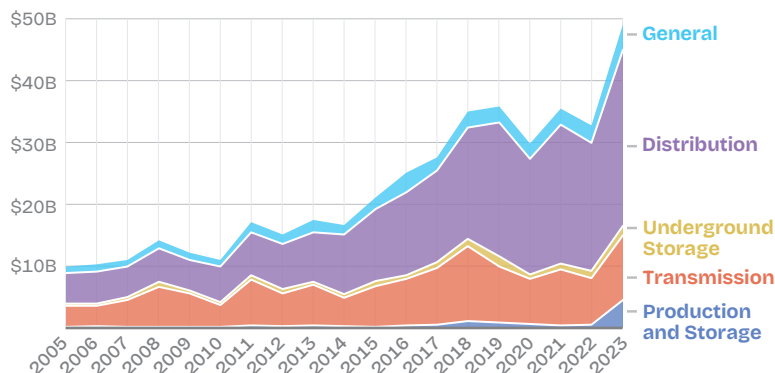
National Context

Illinois is not alone: Spending on gas infrastructure is up dramatically across the country.

According to the American Gas Association, “gas utility construction expenditures have been on a sustained upward trajectory since 2011, largely driven by increased investments in safety and infrastructure improvements.” As a result, gas delivery rates across the country have nearly doubled since 2011, increasing at more than twice the rate of inflation.

Figure 5: National gas utility capital spending

Source: AGA



Bottom line

Gas customers in Illinois are paying more for less.

Notes and Sources

Figure 1: The Residential Price refers to the total cost paid by residential end-users inclusive of all tax, delivery, commodity, demand and other charges. Gas use per residential customer is calculated as the volume of gas used by residential customers divided by number of residential gas customers. Total residential gas price is from: U.S. Energy Information Administration (EIA), “Natural Gas Prices,” Residential Price, State data on residential customers is available from EIA, “Number of Natural Gas Consumers.” State data on residential gas volume consumed is available from EIA, “Natural Gas Summary.”

Figure 2: The “gas” charge is equal to the Citygate Price of gas; the “delivery” charge is equal to the Residential Price minus the Citygate Price. Citygate Price is the total cost paid by gas distribution companies for gas received

at the point where the gas is physically transferred to the companies. See Figure 1 notes for the definition of Residential Price. The data is from: EIA, “Natural Gas Prices,” City Gate Price and Residential Price.

Figure 3: S&P Global, Private Company Financials dataset, “Gas plant in service, Accounts 101-106” (downloaded Oct. 15, 2025).

Figure 4: This figure shows the regulator-approved breakdown for gas company revenue received from the delivery (or “distribution”) charges paid by all customers (i.e., total “cost of service”). It excludes the supply charge for gas (which the utility passes through to the customer without markup) and all surcharges and riders. The figure is based on data from each utility’s latest rate case order (Appendix, Schedule 1): Ameren (ICC 25-0084); Nicor (ICC

25-0055); North Shore Gas (ICC 23-0068); and Peoples Gas & Light (ICC 23-0069).

Figure 5: American Gas Association (AGA), Resource Library, Gas Utility Construction Capital Expenditures by Type of Facility, 1990-2023.

Map: Natural Gas Service Territories and Pipelines datasets from Homeland Infrastructure Foundation-Level Data (HIFLD).

