

Peoples Gas Subject Matter Hearing

Key Questions & Data Requests (2026)

Purpose of this document

This document consolidates key questions and data requests we anticipate council members would like to obtain ahead of the upcoming Committee on Environmental Protection Hearing in March. We are requesting the most current information available. This will help facilitate a productive and informed discussion during our hearing.

Pending Rate Increase Request:

Overview and timeline

- Please provide a breakdown of the timeline for ICC review and approval of the current rate request [The ICC has basically 11 months to review and rule on a rate case from the date of filing. We expect to receive a final order in the current case mid-November of this year.](#)
- If approved, when would the new rates go into effect for People Gas customers?
[We estimate new rates would be effective end of November or early December 2026.](#)
- Would the increase be implemented all at once or phased in over time? Can we get a snapshot of the execution plan?
[Peoples Gas is only requesting an increase based on one year of forecasted costs. Therefore, the full impact of the final order will be implemented all at once.](#)

Customer Impact

- What will the average monthly impact on a typical residential customer of the rate hike as filed be? [This is subject to ICC review and approval and will be determined upon conclusion of the rate case.](#)
- How the rate increase will impact:
 - o Low-income households
 - o Seniors
 - o Multi-family buildings
 - o Small businesses[Each different type of customer's rates will be determined after the ICC ruling on our rate case. We offer energy assistance to low-income households. This assistance includes the Low Income Discount \(LID\) program where some customers receive up to 83% off of their total bill. Since its inception in October 2024 over 107,000 customers received \\$94.5M in LID credits. There are other assistance programs described below.](#)
- How does this increase affect delivery charges vs. supply charges?
[The rate case only impacts the delivery charges on customer bills. Peoples Gas does not profit from the purchase of gas. The customer pays what we pay.](#)

Previous Rate Increase (2023)

- What was the impact of the last rate increase
 - Average impact on a single-family home's bill each month
A typical residential heating customer's bill decreased by \$1.50/mo. in 2024 when compared to 2023. The delivery portion of the bill increased by \$4.40/mo. which was offset by a decrease in the gas charge of \$5.90/mo.
- Provide data on the number of customers in Chicago who are currently:
 - Behind on gas payments
 - Whose service has been disconnected
Information can be found at: [Credit, Collections, and Arrearages Reports](#)
- Provide data on any changes of customers in Chicago who are either behind on gas payments or whose service has been disconnected since the last rate hike went into effect.
Information can be found at: [Credit, Collections, and Arrearages Reports](#)
- If possible, please provide this data either broken down by ward or census track. A visualization of this (e.g., a heat map) would be helpful if possible. We do not track this information by Wards.

Looking Forward:

- A succinct explanation of how natural gas is a volatile commodity and how external factors, such as international conflict, supply chains, costs of exporting, etc, can impact this pass-through cost
From our subject matter expert: "Natural gas prices, like other commodities, are sensitive to changes in supply and demand. For example, when the weather is cold the demand for natural gas goes up and the supply becomes limited. External factors can play a role in driving this volatility. International conflicts and supply chain constraints can influence prices. In addition, the cost of exporting natural gas can fluctuate with fuel prices, labor costs, and regulatory changes. Together, these factors can create price swings that flow through the market, directly affecting the pass-through costs paid by customers.
To reduce customer exposure to this volatility, Peoples Gas (PGL) and North Shore Gas (NSG) build and execute their portfolios utilizing a best cost purchasing strategy:
 - 100% of winter term gas supply requirements are purchased under firm contracts with reliable, credit worthy producers and marketers. These contracts include a mixture of:
 - Baseload purchases with monthly index pricing, this sets the price for the month and dampens the volatility as the price is set for each dth purchased as a baseload.
 - Peaking supply purchases with daily index pricing, this allows for the utility to only buy when it is needed like colder than normal days.
 - We have a forward planning and procurement cycle for our transportation and storage capacity. Most of those contracts contain Right of First Refusal provisions on the firm capacity, ensuring we have the assets needed to serve our customers.
 - Owned and leased storage allows the utilities to inject into storage during the summer when gas prices are lower and withdraw during winter months. This avoids higher gas prices, provides stability in pricing and dampens volatility.

- o PGL and NSG target 40-50% of normal winter gas supply to be provided from storage
 - Manlove Field underground storage facility in Illinois provides 23% of PGL's 10% of NSG's estimated winter volumes.
- o LNG and Liquid Propane are generally used under peaking conditions to avoid high daily price spikes.
- o Manlove Field (both underground storage and LNG) and the Peterson Rd Propane Plant offer the benefit of PGL and NSG owning, operating and maintaining reliable facilities that directly serve our customers.
- Diversity of supply location, counterparties and pipeline services provides flexibility to execute our portfolios at the lowest cost to the customer.
- PGL and NSG utilize Futures Contracts and Calls in their financial hedging programs. These are the best fit for us to meet our goals due to their simplicity and effectiveness.

On a national level, there is approximately 4,000 Billion Cubic Feet of natural gas storage. Natural gas production remains at record breaking highs, averaging 107 Bcf per day in 2025. .” Please note that due to the Committee hearing room change, we will not have any available subject matter experts available to answer any further detail on this topic.

- Projections from PGL economists on the cost of natural gas through 2026 and the end of the PRP (of course, it is understood that these are estimates subject to conditions noted above)

PGL does not have “economists”. Please see the following commentary from our subject matter expert: “Publicly available information shows the NYMEX forward curve prices through 2030. While we don’t necessarily pay the NYMEX price for gas, it is a good reorientation of future price. This outlook highlights the fact that as the years go out, the price estimates are similar and the volatility decreases. Similar to a weather forecast, anything far in the future will revert into something close to historic averages.” Please note that due to the Committee hearing room change, we will not have any available subject matter experts available to answer any further detail on this topic.

- With the PRP ramping up, does PGL intend to file for additional rate hikes until it is complete in 2035? If so, please provide a projected forecast of additional rate hike filings, timing, and impact on gas bills throughout the duration of the PRP.

Our current rate request applies to the level of costs we expect to incur in 2026 and 2027. After that, we will have a better understanding of the construction process and determinations on future rate cases will be made later.

Pipe Retirement Program:

- Regarding the Pipe Retirement Program and the associated safety monitoring, we would like to understand how Peoples Gas plans to accelerate the retirement process to meet the 2034 deadline. Could you provide a detailed breakdown of the projected costs, including considerations for inflation, and explain how the company plans to allocate and distribute these funds to ensure the timely completion of the program?

One way we plan to accelerate the retirement of CIDI main below 36" is to leave the meters in their existing location (inside). This will avoid the additional work of moving meters outside. The vast majority of these schedule durations saving will be associated with larger building that have more than three meters. We have also increased our customer communications efforts to include emails and phone dialers in addition to physical mailed letters notifying customers of the need to enter their property to determine their energy needs and to gain access to our gas meters for construction.

We will also be leveraging previously completed project phasing and feasibility studies and their associated project designs. These projects have already been identified as addressing high-risk pipe and much of the work to design the projects have already been completed and, in many cases, these projects have already undergone review by the OUC (though given the passage of time, any previously-reviewed projects will need to be resubmitted to for OUC review). Utilizing these project designs will assist in the ramp up and continued acceleration to retire at-risk pipe to meet the 2034 retirement deadline.

- How many new lines are to be retired per year in Chicago under the deadline provided by the ICC?
The forecast for each year will be determined after the first couple years of construction.
- In the past Peoples Gas, mentioned initiatives in hydrogen-ready pipes. Do we have any updates on this and how the PRP program is taking into account alternative uses of its system?
Our company will be more able to accommodate and test an H2 blend in its distribution system upon the completion of PRP, where a modernized system utilizing non-leak prone material, delivered at an increased pressure will be in place.
- Has Peoples Gas explored alternative options to upgrading the pipe when retiring it? That is, instead of replacing it and the broader system with a medium pressure pipe, have they done an evaluation of maintaining the same pressure system? Or of lining the pipe? Or any other scenarios that could reduce the overall cost of the program?
Yes, as part of our up-front engineering analysis that is being documented in the Project Authorization Request (PAR) Supplemental forms, various Alternative Analysis are being performed on a per project basis to validate that the most prudent and cost effective approach to the replacement of the leak prone pipe is being utilized. The analysis includes cured-in place lining, maintaining the same pressure system, an increased pressure system that provides additional safety and reliability when compared to the same pressured system, as well as installing single versus double-decked gas mains.

Assistance programs:

- Given the increasing financial pressures on everyday Chicagoans, including rising property taxes, inflation, and reductions in federal benefits (SNAP), how is Peoples Gas considering affordability when proposing increases to customer bills? What measures or programs are in place to ensure that these rate adjustments do not disproportionately burden low- and moderate-income households?

Customers whose household incomes are at or below 300% of the federal poverty level qualify for our Low Income Discount program. The amount of discount would fall into 1 of 5 tier levels based on a customer's household income. The aim of the program is to bring utility costs (as a percent of income) in line with a 6% affordability standard (3% per service type, i.e. gas v. electric). The 6% affordability standard is cited in IL legislation 305 ILCS 20 – Energy Assistance Act. As a result of calibrating utility expense to a percent of our customers' household income, program data suggests most participants are either at or very close to meeting an affordability standard cited by State Legislation. Customers needing assistance beyond what's provided by LID can access additional energy assistance through the programs listed in the table below.

- What programs are available to help provide financial relief to ratepayers?
 - Peoples Gas and North Shore Gas offer a range of programs designed to support customers experiencing financial hardship and to help maintain safe and reliable service for all. These programs generally fall into three categories: **Bill Assistance Programs**: Customers may qualify for direct financial support through-
 - Low Income Home Energy Assistance Program (LIHEAP)
A federally funded program administered through the State of Illinois.
 - Percentage of Income Payment Plan (PIPP)
A state-administered program that allows income-qualified customers to pay a predictable, income-based portion of their bill, with remaining balances subject to forgiveness upon successful participation.
 - Share the Warmth
A long-standing voluntary assistance program supported through a combination of customer donations and company contributions.
 - We also offer tools designed to stabilize households while maintaining continuity of our essential services through flexible payment arrangements and budget billing payment plans.
 - We also offer energy efficiency to aid in usage reduction to help lower energy bills.
 - Funding and support for these programs reflect a shared partnership among federal and state programs, voluntary customer and community contributions, and company supported assistance initiatives and regulatory-approved mechanisms where applicable.

Program Name	Funding Source	Eligibility
LIHEAP	1. State of Illinois LIHEAP funds 2. Federal LIHEAP funds	Household income based; Defined by the Illinois Department of Commerce and Economic Opportunity (DCEO) following Federal and State guidelines
PIPP	State of Illinois LIHEAP funds	Same as LIHEAP
Share the Warmth (STW)	1. Shareholder contributions 2. Customer donations	Peoples Gas and North Shore Gas match the definition published by DCEO each year

Low Income Discount (LID)	Rate Payers	Household gross income between 0% and 300% Federal Poverty level
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- Number of ratepayers on a payment assistance program broken down by ward
[We do not maintain records on a per ward basis.](#)