

To: Interested Parties
 From: GBAO
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Chicagoans Strongly Oppose Record Rate Increase Request by Peoples Gas

Costly pipe replacement and record profits rankle voters, opening door to City Hall efforts to begin transition away from dirty, expensive gas to a cleaner, cheaper future.

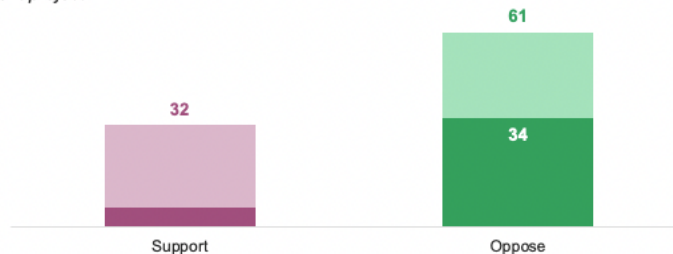
Chicagoans are deeply concerned by Peoples Gas’ request to the Illinois Commerce Commission (ICC) for a record \$402 million rate increase to pay for their over-budget, behind-schedule pipe replacement program, giving momentum to City Hall efforts to begin the transition away from gas for large buildings to reduce long-term costs. A recent survey of registered voters in Chicago shows resistance to a rate increase is widespread, with more than six-in-ten voters opposed and Black and Brown Chicagoans particularly disinclined to support this request.¹

Concerns with Peoples’ lack of oversight and their refusal to use six straight years of record profits to pay for their own project helps fuel further distrust of the rate request and highlights how difficult it will be for the company to build public backing in support of their plans. Key findings from the survey include:

- **Less than a third of Chicagoans support the proposed increase.** After providing respondents with a short explanation of what Peoples is asking the ICC for, it becomes clear there is not much public support for their request. Just 32 percent of registered voters support the increase, with 61 percent in opposition.

In Illinois, when public utilities want to increase their rates, they need to win approval from the Illinois Commerce Commission, a board appointed by the Governor and confirmed by the State Senate. Peoples Gas recently made a request for a rate increase totaling \$402 million, which would be their first rate increase in nearly a decade. The increase would go to helping finish a pipe replacement program across Chicago that Peoples has started, but that is currently running behind schedule and over budget.

*Do you **support** or **oppose** allowing Peoples Gas to increase their rates in order to finish the pipe replacement project?*



¹ Survey of 800 registered voters in Chicago was conducted between July 18-23, 2023. Results carry a margin of error of +/- 3.5 percentage points at a 95 percent confidence interval. Interviews were conducted via telephone using live dialers and through responses to surveys texted to eligible respondents.



- **Opposition is widespread, led by communities of color.** Chicagoans of all stripes are reject the proposed increase. A majority of White, Black and Latino voters oppose the request, with opposition particularly strong among Black (71 percent oppose) and Latino (66 percent oppose) voters. Practically every single demographic or ideological bloc opposes the request, including along gender, age, ideological, or regional breakdowns.
- **Arguments against the rate increase further reduce support.** First, we simulated a scenario where the public hears arguments in favor of the rate increase (using arguments that Peoples Gas and the natural gas lobby have been using). In this scenario, support for the rate increase rises, but a majority still oppose the Peoples Gas request (46 percent favor – 51 percent oppose).

However, when the public then hears a short battery of arguments against the rate increase – including statements highlighting how Peoples has mismanaged the project, how they have charged significant late fees to people in struggling communities while recording record profits and how gas has significant environmental and health disadvantages – support for the rate increase craters even below its initially low level. At the end of the survey, just 25 percent of Chicagoans support the request.

