

CUB Issues Statement About Illinois American Water Hike Rate Proposal

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Citizens Utility Board (CUB) Executive Director Sarah Moskowitz released a statement today about Illinois American Water's \$152 million rate-hike request before the Illinois Commerce Commission (ICC):



Illinois American's \$152 million rate-hike request is severe and greedy—the company is pushing for an excessive profit rate for its shareholders—and CUB will do everything it can to reduce it. We often hear complaints from Illinois American customers about painfully high bills, fueled by the utility's aggressive strategy of buying up municipal systems across Illinois, along with winning legislative approval to add a "Qualifying Infrastructure Plant" surcharge to bills. While water customers struggle, Illinois American's parent company has pulled in about \$1.6 billion in profits over the last two years. This punishing rate hike will be a hardship to consumers who depend on the utility for a vital service—and that's why we're challenging the company's money-grab.

Background:

- On Feb. 8, 2024, Illinois American Water filed a request to increase rates by \$152.4 million, or about 39.5 percent, with the Illinois Commerce Commission (ICC). In the rate-hike request, the utility proposes increasing its Return on Equity (ROE), or profit-rate for shareholders, from 9.78 percent to 10.75 percent.
- Illinois American says the rate hike would increase residential monthly water service bills by about \$24 per month, while the average residential wastewater bill would increase by about \$5 per month. Rates would depend on a customer's service area.
- Since 2016, Illinois American has successfully pushed for two other rate hikes before the ICC: an \$85 million increase in 2022, and a \$35 million increase in 2016.
- American Water, Illinois American's parent company, has made \$1.59 billion in profits over the last two years—including \$820 million in 2022 and \$773 million through the first nine months of 2023.
- The rate case, Docket # 24-0097, will take approximately 11 months to complete. Customers can sign a petition against the rate hike at [com](#), or can file a public comment against the increase [directly with the ICC](#).
- Illinois American Water, a subsidiary of American Water, is the largest investor-owned water utility in Illinois. It provides water and wastewater services to approximately 1.3 million customers.

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The Citizens Utility Board (CUB) is celebrating its 40th anniversary as 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 saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. In 2024, CUB is celebrating its 40th anniversary of consumer advocacy work. For more information, call CUB's Consumer Hotline at 1-800-669-5556 or visit CUB's award-winning website, www.CitizensUtilityBoard.org.