



# Office of the City Clerk

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## Legislation Text

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**File #:** R2015-575, **Version:** 1

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**Title:**

**Committee(s) Assignment:**

Call for hearing(s) on People's Gas plans to fix problems with Pipe Replacement Program Committee on Finance

### RESOLUTION

WHEREAS, Crain's Chicago Business recently reported the Peoples Gas Pipe Replacement Program is now estimated to cost over \$8 billion, nearly four times the original cost - an exorbitant and unaffordable amount that could quadruple base gas rates in Chicago; and

WHEREAS, \$190 million in costly rate hikes have been imposed on Peoples Gas customers in less than five years to bankroll the wasteful Pipe Replacement Program; and

WHEREAS, a state audit found that, far from fixing Chicago's aging gas main system, Peoples Gas has reported a higher number of leaking pipes than when it initially embarked on the Pipe Replacement Program; and

WHEREAS, the Illinois Attorney General's Office has described the Peoples Gas Pipe Replacement Program as "a complete disaster"; and

WHEREAS, anonymous whistleblowers from within Peoples Gas have alleged that the Pipe Replacement Program has been plagued by cronyism, with Peoples Gas accused of padding the wallets of certain contractors overseeing the project; and

WHEREAS, since 2011, the City of Chicago has cited Peoples Gas for city ordinance violations 67 percent more times than the next three worst violators combined; and

WHEREAS, a state audit determined Peoples Gas has the highest rate of contractor-caused damage to gas infrastructure in the United States; and

WHEREAS, the City of Chicago has a direct interest in the proper and safe maintenance of utility infrastructure and an important role in protecting People's Gas customers in Chicago from astronomically higher gas rates on their monthly utility bills, and

WHEREAS, WEC Energy Group, the Wisconsin-based company that recently acquired Peoples Gas, has yet to put forth any transition plan whatsoever that documents how the many aforementioned problems will be addressed and rectified:

NOW, THEREFORE, BE IT RESOLVED, that the Chicago City Council conduct a public hearing at the Committee on Finance to hear testimony from the CEO, President, General Counsel and any other People's Gas executives with knowledge or oversight of the Pipe Replacement Program to answer questions and outline the Company's plans to fix the many problems with the Program; and invite representatives from the Illinois Attorney General's office, the Illinois Commerce Commission, the Citizens Utility Board and AARP to provide testimony at the Hearing.

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