



ICC replaces controversial Peoples Gas System Modernization Program with new directive to retire high-risk, leak-prone pipes

Chicago, IL – Today, the Illinois Commerce Commission (ICC) directed Peoples Gas to retire high-risk cast iron and ductile iron (CI/DI) pipes in the utility’s natural gas distribution system. The decision concludes the ICC’s investigation into Peoples’ long over-budget System Modernization Program (SMP) and redirects the utility to better focus its retirement work on the highest-risk pipes. The ICC [paused the utility’s SMP](#) in 2023 and launched an investigation at the start of 2024 to determine a more appropriate path to retire risk-prone pipes in compliance with federal safety recommendations.

“To be clear, the ICC’s decision is not a green light for Peoples’ Gas to return to business as usual. It is Peoples’ and any utility’s responsibility to safely maintain the infrastructure needed to run its system. However, these projects cannot come at unreasonable or unjustifiable costs to customers,” said **Acting ICC Chairman Doug Scott**. “Our investigation into Peoples’ SMP found that the utility’s proposed program options did not adequately prioritize the retirement of its most risk-prone pipes. To remedy this, today’s order refocuses Peoples’ proactive pipe replacement program on the retirement of cast and ductile iron pipes.”

The decision sets a 2035 deadline for Peoples Gas to remove CI/DI pipes from its system and establishes a “Safety Monitor” to track Peoples’ CI/DI pipe retirement progress. The deadline aligns with multiple recommendations from engineering experts, ICC staff, and related directives from the U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA). The ICC also notified Peoples Gas of potential financial penalties for failing to comply with the order’s directives.

“Chicagoans deserve a safe, reliable gas system. The record in this investigation shows that Peoples Gas was not prioritizing the removal of CI/DI pipes, but rather pursued it as one of several components of its System Modernization Program. As a result, the CI/DI retirement rate slowed over time,” said **ICC Commissioner Stacey Paradis**. “The ICC’s decision refocuses the utility’s efforts with existing PHMSA and engineering safety recommendations. It is now on Peoples Gas to change its approach.”

The ICC has issued its decision after closely scrutinizing testimony submitted by the utility, ICC staff, and various intervenors over a 12-month legal proceeding.

The Commission’s order will help ensure that the gas distribution system’s most urgent safety needs are addressed, but beyond the timely retirement of CI/DI pipe, specific investment and operational decisions remain the utility’s responsibility.

The redirected proactive pipe replacement program will not have an immediate effect on customers’ bills. No expenditures were approved or denied as a part of the investigation, and any ratemaking

determinations must be made in docketed rate case proceedings. In accordance with the Illinois Public Utilities Act, a utility's costs are only recoverable if the utility demonstrates they are just, reasonable, and prudently incurred.

More information regarding the investigation can be found in [Docket No. 24-0081](#). The initiating proceeding can be found in Peoples Gas's 2023 rate case via Dockets No. [23-0068/23-0069](#).

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About the Illinois Commerce Commission

The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient, and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water, and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses, and repossession agencies. The Commission's Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities, and equipment in the state.

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