



The Future of Gas in Illinois

May 2024

[A report by BDC and Groundwork Data](#)

Customer Bill Calculations

This report centers its analysis on the metric of “revenue requirement per customer” instead of customer bills so that comparisons can be made across utilities and over time. However, when the per customer revenue requirement increases substantially, the delivery charges on residential customer bills will increase proportionally.

Below, we draw on the revenue requirement and customer count modeling from the report to estimate the effects of revenue requirement increases on residential customer bill delivery charges over the next decade and in 2050. The estimates are calculated for the winter months, which constitute the highest heating- and gas-use season. (For an explanation of what the delivery charge includes, see pages [47-48 of the report.](#))

1. Based on business-as-usual spending trends and current customer levels, residential customers of the Big Four gas utilities would see their delivery charges double on average **by 2035, increasing their bills by \$74 per month during the winter months.**
2. **By 2050**, assuming only modest customer decline of 2% per year and continued business-as-usual spending trends, **residential customer delivery charges would increase to \$651 during the winter, an eightfold increase of \$573 or more compared to today’s levels.**

Methodology:

- Projection #1: The estimated 2024 revenue requirement for each of the Big Four gas utilities was assigned the ICC-determined share to residential customers. Seventy-five percent of this amount was assigned to the five winter months, which was then divided by the number of residential customers (which was calculated from various rate case schedules). Then one fifth of that amount (for the five winter months) produces an estimate of monthly winter residential delivery charges. This calculation was confirmed using actual gas utility rates and figures on therms consumed in winter months.
- Projection #2: The same method was used for the second projection except that the same proportional decline in the total customer base was applied to the estimated residential customer base.