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ATTORNEY GENERAL MADIGAN: TAX CUT ENTITLES UTILITY CUSTOMERS TO LOWER RATES NOW***Madigan Calls on Illinois Utility Companies to Pass on Corporate Savings from Federal Tax Cut to Customers***

Chicago — Attorney General Lisa Madigan today announced her office will push for every Illinois utility company to begin reducing customers' bills immediately to pass on the companies' savings under the new federal tax law that significantly lowers corporate tax rates. Madigan began this effort by filing motions with the Illinois Commerce Commission (ICC) to reduce pending rate requests by two utility companies in order to reflect the companies' lower tax expense.

The federal corporate income tax rate was lowered from 35 percent to 21 percent, effective Jan. 1, 2018. Madigan said that because regulated utility rates must reflect actual costs companies incur, electricity, natural gas and water bills should be reduced to reflect the tax reductions. The Attorney General filed motions with the ICC on Monday in two cases that request rate increases for Nicor Gas, serving northern Illinois, and for Aqua Illinois, which serves communities around the state.

In the Nicor Gas case, Madigan's filing with the ICC estimated that Nicor should reduce its rate increase request by \$37 million in light of the federal tax cut. The estimate significantly reduces Nicor's pending \$129.4 million request as a result of the lower taxes.

In the Aqua Illinois case, the company is currently asking the ICC for a \$12 million increase in water and sewer rates to go into effect at the end of March. Madigan's filing with the ICC called for a \$4.7 million reduction in that request.

"The new corporate tax benefits are already growing for Illinois' utility companies," Madigan said. "Utility rates build in costs, and lower utility taxes should reduce rates and save customers immediately."

In addition to these rate reductions, the Attorney General asked the ICC to order Nicor and Aqua to set aside savings for customer refunds that are accumulating due to the new tax law. The ICC can require Illinois utilities to track these tax funds to assure that consumers receive the full benefit of the tax savings.

Already, Commonwealth Edison has asked the ICC to authorize a reduction to its own customer rates by about \$200 million, effective Feb. 1.

Though not every Illinois utility company has a formal rate request pending before the ICC, which regulates utility rates, Madigan's office will work with the Illinois Commerce Commission to see that rate reductions for customers of every utility company are put in place as soon as possible.

Other electric, natural gas and water companies that are expected to be part of the Attorney General's push include Peoples Gas, North Shore Gas, Illinois American Water and Ameren Illinois, which provides both electric and natural gas delivery service.

Previously, Madigan also joined a coalition of states asking the Federal Energy Regulatory Commission to reduce interstate transmission rates set for electric transmission companies by that agency in light of the new federal tax rates.

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