

# "Utility Bills Are Rising" Q2 2025 Update

## Skyrocketing Utility Bills Amidst Scorching Summer Heat

JULY 2025

**Utility rate increases requested and approved totaled \$9 billion in Q2 2025 and \$29 billion in the first half of 2025, making 2025 a record year for utility rate increases.**

### Utilities Have Requested \$29 Billion in Rate Hikes for 2025, Surpassing 2024

Utility bills are rising, and American energy consumers are [concerned](#). They have reason to be: electricity prices are increasing faster than inflation, as are utility rate increase requests.

New PowerLines analysis shows that in Q2 2025, utilities requested or received approval for over \$9 billion in rate increases, including approximately \$7.3 billion in new requests and \$1.7 billion in approved rate increases. This brings total requested and approved rate increases for the first half of 2025 to approximately \$29 billion.

These findings build off of PowerLines' April 2025 report [Utility Bills are Rising](#) which documented utility rate increases in Q1 2025.

These rate increases are not only significant in absolute terms; they also far surpass 2024 figures. In Q2 2024, requested and approved utility rate increases totaled approximately \$5 billion, meaning Q2 2025 saw a near-doubling of requested and approved rate increases compared to the same period last year. Q1 and Q2 2024 had approximately \$12 billion requested and approved rate increases, compared to 2025's \$29 billion.

## Summer Heat Leads to Spiking Utility Bills and Consumer Stress

PowerLines [Ipsos Knowledge Panel](#) polling conducted between March 28-30, 2025 found that 3 in 4 Americans are concerned about utility bills rising in 2025, with 4 in 5 feeling powerless over these costs and 2 in 3 indicating that these rising utility bills were a source of financial stress. These findings detailed in PowerLines' [Utility Bills are Rising](#) report demonstrate a consistent throughline: American energy consumers are concerned about rising utility bills.

As high temperatures during the summer months put additional strain on the electric grid in many parts of the country, electricity demand will continue to spike, resulting in increased system costs and utility bills. As a result of these increased pressures facing the grid, Americans will end up paying more per unit of energy during a time where many are depending on more energy to stay cool. Furthermore, rising utility bills come at a time when overall costs are already increasing significantly, making utility bills an even greater strain on consumers nationwide.

**PowerLines' polling reveals the reality of consumer's experience with rising utility bills.**

**2 in 3**

say utility bills  
are a source of  
financial stress

**3 in 4**

are concerned  
about rising  
utility bills

**4 in 5**

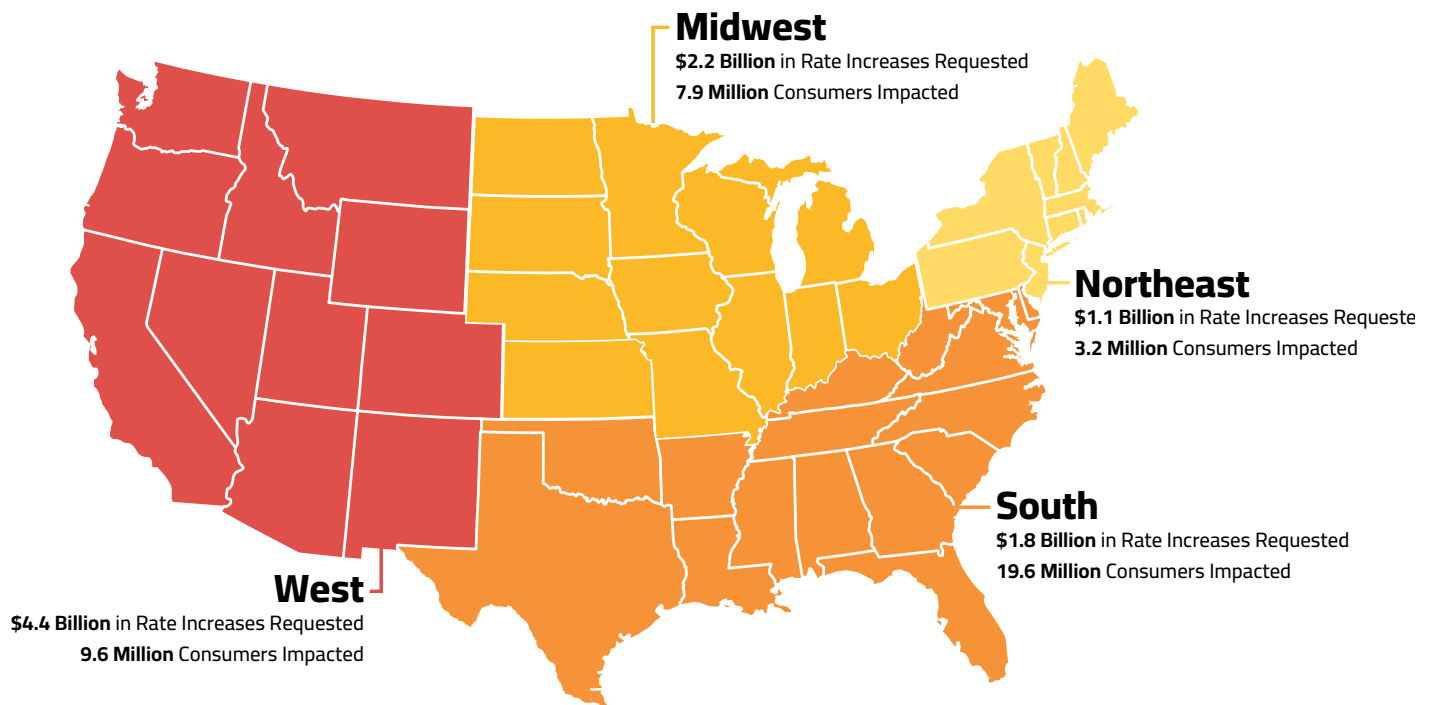
feel powerless  
over their  
utility bills

## Where Rates Are Rising

The increases requested in Q2 2025 are affecting consumers across the country. However, consumers in the West are particularly impacted by the rate increase requests this quarter, with Western utilities requesting over \$4 billion in rate increases. Improvements to aging infrastructure are cited as a major driver of the increases in the region. These upgrades are characterized as vital undertakings in response to extreme weather and natural disasters, which have both burdened the grid in recent years.



## Rate Increases Affect 40 Million Consumers Across The Country



Rate increases in Q2 2025 will affect approximately 40 million consumers across the country including nearly 10 million customers in the West and almost 20 million in the South. Nationwide, this figure is nearly double the number of Americans who faced rate increase requests over the same period in 2024. Both the amount of utility rate increases requested and the number of Americans set to bear the burden of rising utility bills is rising.

Utility rate increase requests and approvals come amidst other pressures driving up electricity prices. In the mid-Atlantic region, the regional grid operator known as PJM announced that 67 million Americans in the region would face utility bill increases of up to 20-30% due to

a capacity auction held in 2024 that led to an approximately \$13 billion increase in capacity prices for power plants.<sup>1</sup> Capacity auctions are held to ensure that enough generation resources are available to supply the demand facing the grid.

PJM's capacity market auction experienced a nearly 10-fold spike in capacity prices, from \$30/MW-day in 2024 to approximately \$270/MW-day in 2025. These electricity price increases will continue to impact the 67 million Americans living within PJM's territory, not only this year but in future years to come—and will stack on top of utility rate increase requests in the region this quarter and beyond.

<sup>1</sup> Utility Dive, *PJM capacity prices hit record highs*. [www.utilitydive.com/news/pjm-interconnection-capacity-auction-vistra-constellation/722872/](https://www.utilitydive.com/news/pjm-interconnection-capacity-auction-vistra-constellation/722872/)

Other regions are experiencing similar trends. For example, the Midwest region represented by the regional grid operator known as the Midcontinent Independent System Operator (MISO) has also seen capacity auction price increases—in MISO’s case, they experienced an over 22-fold increase, from \$30/MW-day to \$666.50/MW-day.<sup>2</sup> While these costs will not impact Midwest consumers this quarter, they will translate to rising utility bills in future months.

“It is imperative that the perspectives of these consumers are central to decision making going forward.”

Utilities are requesting rate increases for a variety of reasons that vary in particular by geography, market structure, resilience needs, infrastructure upgrades, among other factors. Of particular importance are distribution and transmission spending increases, in addition to extreme weather events, which are significant drivers of rising electricity prices. Regardless of the rationale behind the proposals, consumers are concerned about these utility rate increases. It is imperative that the perspectives of these consumers are central to decision making going forward.

## How Rates Are Determined

The electricity and gas prices that consumers pay their utility companies are typically set by state-level government regulators known as state Public Utilities Commissions (PUCs). PUCs generally have the power to determine how much people pay for energy, what investments utilities make, and where certain energy projects are located. Nationally, approximately 200 PUC commissioners oversee more than \$200 billion a year in utility spending.

The job of the PUC is to ensure that utility rates for customers are “just and reasonable.” This function is critical, as investor-owned utilities are granted monopoly status and are not typically subject to competition for customers in their utility service territory that would ordinarily ensure optimal consumer prices.

**Public Utility Commissions have the power to determine:**



**WHAT CONSUMERS PAY**



**WHAT INVESTMENTS UTILITIES MAKE**



**WHERE ENERGY PROJECTS ARE LOCATED**

<sup>2</sup> Utility Dive, *MISO summer capacity prices jump to \$666.50/MW-day as power supplies shrink*. [www.utilitydive.com/news/miso-capacity-auction/746576/](https://www.utilitydive.com/news/miso-capacity-auction/746576/)

When utilities seek to raise rates on customers, they typically file a rate case proceeding with the PUC, whereby the utility justifies its expenditures, including proposed investments. These costs may include spending on a range of capital and operational expenditures. The PUC determines whether this utility spending is prudent. If the PUC deems costs prudent, regulators will grant the utilities the opportunity to recoup those costs through consumer rates, a process known as cost recovery.

During a rate case, the utility and the PUC undergo a formal legal process involving significant information requests and analysis to determine how much a utility should spend over a given time frame. Other parties can participate as intervenors, which may include consumer advocates, trade associations, government bodies, businesses, customers, and other stakeholders.

The PUC ultimately determines how much the utility is allowed to charge customers via their rates and collect from utility bills. Most utility regulation is predicated on the theory that utility rates should be based on the cost that the utility incurs to provide utility service to its customers, and that the utility should have an opportunity to earn a profit on its capital investments.

## **Conclusion**

Soaring summer temperatures and rising electricity prices are putting pressure on American consumers. Over the first half of 2025, rates have skyrocketed, far surpassing last year's rate increases and putting additional financial strain on consumers nationwide. While rate increases in the first half of 2025 are unprecedented, it is unlikely that they will slow down in the second half of the year.

It is imperative for state public utilities commissions (PUCs) to center the interests of American energy consumers in decision making by scrutinizing utility rate increase requests and ensuring investments benefit the public interest. Transparency and accountability should be cornerstones of utility regulation, and consumer engagement should be elevated as a central tenet of ratemaking processes. Meanwhile, policymakers should invest in PUCs to bolster their capabilities to adequately evaluate proposed investments and engage with a wide range of stakeholders. As the year continues, rates are likely to continue increasing, compounding affordability concerns for millions across the United States. Consumers must be central to these processes and decisions.

## Database of Q2 2025 Rate Increase Requests or Approvals

Rate cases are filed separately by state. Rate cases shared below represent the extent of utility increases in the second quarter and are specific to the identified state with impacted customers.

Utility	State with Impacted Customers	Number of Impacted Customers	Type	Status	Decision	Requested Rate Increase (\$B)
AEP Ohio	OH	1,300,000	Electric	Requested	April 2025	<a href="#">0.1</a>
Citizens Electric	PA	<a href="#">7,200</a>	Electric	Requested	April 2025	<a href="#">0.0</a>
DTE	MI	<a href="#">2,300,000</a>	Electric	Requested	April 2025	<a href="#">0.6</a>
Madison Gas & Electric	WI	<a href="#">167,000</a>	Electric	Requested	April 2025	<a href="#">0.0</a>
Pacific Gas & Electric	CA	<a href="#">5,500,000</a>	Electric	Requested	April 2025	<a href="#">3.1</a>
Valley Electric	PA	<a href="#">7,400</a>	Electric	Requested	April 2025	<a href="#">0.0</a>
Wellsboro Electric	PA	<a href="#">6,500</a>	Electric	Requested	April 2025	<a href="#">0.0</a>
Delmarva Power	DE	<a href="#">532,000</a>	Electric	Approved	April 2025	<a href="#">0.0</a>
National Grid	NY	<a href="#">1,700,000</a>	Electric	Approved	April 2025	<a href="#">0.7</a>
Rocky Mountain Power	UT	<a href="#">800,000</a>	Electric	Approved	April 2025	<a href="#">0.1</a>
Rocky Mountain Power	WY	<a href="#">150,000</a>	Electric	Approved	April 2025	<a href="#">0.1</a>
Appalachian Power Co	VA	<a href="#">530,000</a>	Electric	Requested	May 2025	<a href="#">0.1</a>
Idaho Power	ID	640,000	Electric	Requested	May 2025	<a href="#">0.2</a>
Kentucky Utilities	KY	<a href="#">545,000</a>	Electric	Requested	May 2025	<a href="#">0.2</a>

## Database of Q2 2025 Rate Increase Requests or Approvals

Utility	State with Impacted Customers	Number of Impacted Customers	Type	Status	Decision	Requested Rate Increase (\$B)
Louisville Gas & Electric	KY	<a href="#">436,000</a>	Electric	Requested	May 2025	<a href="#">0.1</a>
PNM	NM	<a href="#">550,000</a>	Electric	Requested	May 2025	<a href="#">0.1</a>
Central Hudson Gas & Electric	NY	<a href="#">405,000</a>	Electric	Approved	May 2025	<a href="#">0.1</a>
PEPCO	DC	<a href="#">412,000</a>	Electric	Approved	May 2025	<a href="#">0.1</a>
AES Indiana	IN	<a href="#">530,000</a>	Electric	Requested	June 2025	<a href="#">0.4</a>
Arizona Public Service	AZ	<a href="#">1,400,000</a>	Electric	Requested	June 2025	<a href="#">0.6</a>
Consumers Electric	MI	<a href="#">1,800,000</a>	Electric	Requested	June 2025	<a href="#">0.4</a>
Duke Progress	SC	<a href="#">177,000</a>	Electric	Requested	June 2025	<a href="#">0.1</a>
Oncor	TX	<a href="#">13,000,000</a>	Electric	Requested	June 2025	<a href="#">0.8</a>
Tuscon Electric Power	AZ	<a href="#">458,000</a>	Electric	Requested	June 2025	<a href="#">0.2</a>
NIPSCO	IN	<a href="#">500,000</a>	Electric	Approved	June 2025	<a href="#">0.3</a>
Northwestern Energy	MT	<a href="#">413,400</a>	Electric	Approved	June 2025	<a href="#">0.1</a>
Black Hills Energy Kansas	KS	<a href="#">115,800</a>	Gas	Requested	April 2025	<a href="#">0.0</a>
Columbia Gas of Pennsylvania	PA	<a href="#">446,000</a>	Gas	Requested	April 2025	<a href="#">0.1</a>
Madison Gas & Electric	WI	<a href="#">178,000</a>	Gas	Requested	April 2025	<a href="#">0.0</a>



## Database of Q2 2025 Rate Increase Requests or Approvals

Utility	State with Impacted Customers	Number of Impacted Customers	Type	Status	Decision	Requested Rate Increase (\$B)
Washington Gas	DC	<a href="#">157,000</a>	Gas	Requested	April 2025	<a href="#">0.0</a>
Delmarva Power	DE	<a href="#">136,000</a>	Gas	Approved	April 2025	<a href="#">0.0</a>
National Grid	NY	<a href="#">600,000</a>	Gas	Approved	April 2025	<a href="#">0.2</a>
Roanoke Gas Co.	VA	<a href="#">55,000</a>	Gas	Approved	April 2025	<a href="#">0.0</a>
Black Hills Nebraska Gas	NE	<a href="#">304,000</a>	Gas	Requested	May 2025	<a href="#">0.0</a>
Enstar	AK	<a href="#">150,000</a>	Gas	Requested	May 2025	<a href="#">0.0</a>
Intermountain Gas	ID	<a href="#">412,500</a>	Gas	Requested	May 2025	<a href="#">0.0</a>
MDU Resources	WY	<a href="#">17,900</a>	Gas	Requested	May 2025	<a href="#">0.0</a>
Oklahoma Natural Gas Co	OK	<a href="#">924,000</a>	Gas	Requested	May 2025	<a href="#">0.0</a>
Spire Missouri Inc	MO	<a href="#">1,187,000</a>	Gas	Requested	May 2025	<a href="#">0.2</a>
Atmos Energy	TX	<a href="#">2,187,000</a>	Gas	Approved	May 2025	<a href="#">0.0</a>
Central Hudson Gas & Electric	NY	<a href="#">405,000</a>	Gas	Approved	May 2025	<a href="#">0.0</a>
Columbia Gas	VA	<a href="#">290,000</a>	Gas	Approved	May 2025	<a href="#">0.0</a>
Delta Natural Gas	KY	<a href="#">36,000</a>	Gas	Approved	May 2025	<a href="#">0.0</a>