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**IN WAKE OF HISTORIC CONSUMER LOSSES IN ILLINOIS, WATCHDOGS
CALL FOR MAJOR MARKET REFORMS TO FIGHT ELECTRIC/GAS RIP-OFFS**

Spurred by unprecedented financial losses among electric customers across Illinois, a coalition of consumer advocates on Tuesday called for the General Assembly to pass sweeping reforms to curb abuses by unregulated gas and electric suppliers that peddle offers door-to-door, over the phone or via mail.

In news conferences across the state this week, AARP Illinois, the Citizens Utility Board (CUB) and Illinois PIRG asked residents to visit **CUBActionCenter.com**, where they can get tips on how to avoid bad deals and send a message to their legislators urging them to clean up the electric and gas markets.

ComEd and Ameren Illinois customers can choose a company other than the regulated utility to supply their electricity, and people in Northern Illinois also can choose unregulated natural gas suppliers. If a customer chooses another supplier, those charges are included on utility bills.

But consumers often complain about confusing offers, misleading marketing, and rip-offs that are double or triple the supply rate offered by the regulated utility. In fact, customers of alternative electric suppliers lost a record total of \$197.8 million from June 2016 through May 2017, which eclipsed the \$125.8 million in losses the previous year, according to a report by the Illinois Commerce Commission (ICC) Office of Retail Market Development.

Northern Illinois' gas market has been plagued by similar problems: A 2015 analysis by CUB found that of 9,000 plans analyzed since 2003, 94 percent were money-losers compared with utility prices.

While the ICC has taken steps to address the problems, consumer advocates said even stronger reforms are needed to stop a wave of electric and gas rip-offs. They called for three key reforms:

Ban automatic renewal of contracts. Customers often complain that their rate with a supplier skyrocketed after the offer they originally signed up for was automatically renewed at a significantly higher rate. Offers should only be renewed if a customer opts in to the new offer, consumer advocates said.

Mandate that the utility's "price to compare" be displayed on all bills. The utility's price to compare is the rate against which all supplier deals should be judged. Currently, that price is not clearly or prominently displayed on electric and gas utility bills—and it is not on the bill if a customer is signed up with a supplier.

Forbid suppliers from hiding their charges on utility bills. Under current rules, alternative electric and gas suppliers are allowed to include their charges on utility bills, but that makes it difficult for customers to spot bad deals. However, House Bill 5101, sponsored by Rep. Marcus C. Evans, Jr. of Chicago, would require suppliers to send their own bills to customers if they market door-to-door, via mail, or over the phone.

"I am serious about protecting Illinois consumers and keeping utility costs down for the working-class citizens of Illinois," Rep. Evans said. "Utility services such as electric and gas are essential means of living. Access to fair-priced utilities is not a privilege, but is a right and needs to be protected."

"Consumers across Illinois are getting ripped off by alternative electric and gas suppliers who can hide behind major utility companies," said Bob Gallo, AARP Illinois State Director. "It's time to bring some

transparency to the process and give consumers the chance to make reliable, transparent, informed decisions about their utility services. Illinois consumers deserve better.”

“Nobody wants to get ripped off,” CUB Executive Director David Kolata said. “These common-sense reforms are urgently needed because they will protect customers from bad deals and make the market stronger.”

Since 2010, consumers across Illinois have been able to choose a company other than the regulated utility to supply their electricity. Gas competition has been around even longer, and began to take off in 2003 in Northern Illinois. Customers in Central and Southern Illinois currently cannot choose alternative gas suppliers, but in recent years there have been efforts to open up those markets also.

CUB has seen consumers paying alternative supplier prices that are significantly higher than the utility rates. In 2017, the consumer watchdog fielded hundreds of complaints or questions from Illinois consumers about alternative suppliers, and this year the watchdog continues to get a steady stream of calls.

CUB gave tips on how customers can avoid scams if shopping in the market, or approached by a supplier.

- 1) Be careful about people at the door who say they’re from the “electric company” or “gas company” and offer to lower bills. Customers should not give out their account number or bill unless they’re absolutely sure they want to sign up for an offer. A dishonest sales representative who gets a customer’s account number can then sign up that person for an alternative supplier without permission.
- 2) Find out what the company is charging and how that compares with the utility’s price. Ask whether it’s a fixed rate, and for how long, or a variable rate that changes on a monthly basis.
- 3) Ask if the rate is an introductory rate, how long it lasts and what the new rate will be. CUB receives a lot of complaints from people who say the low price they signed up for disappeared after a certain period and their bill skyrocketed.
- 4) Ask if there is a monthly fee. CUB has seen fees as high as \$9 a month. That will increase the per kilowatt-hour or per therm price.
- 5) Ask if there is an exit fee to leave a plan before the contract is up. Consumers don’t have to pay a penalty if they cancel a contract within 10 days of the supplier’s charges first appearing on a bill.

AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at <http://states.aarp.org/region/illinois/>.

Illinois PIRG is a consumer group that stands up to powerful interests whenever they threaten our health and safety, our financial security or our right to fully participate in our democratic society. For decades, the group has stood up for consumers, countering the influence of big banks, insurers, chemical manufacturers and other powerful special interests. Learn more at www.illinoispirg.org.

CUB is Illinois’ leading nonprofit utility watchdog organization. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, CUB has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more information, call CUB’s Consumer Hotline at 1-800-669-5556 or visit www.CitizensUtilityBoard.org.

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