



# CUB's Guide to Avoiding Gas Rip-offs

*A guide to supplier offers and how they compare to Nicor Gas*

A Publication of the Citizens Utility Board (CUB)

## Beware of bad deals

In Northern Illinois, consumers can choose to have their natural gas supplied by a company other than their regulated utility, Nicor Gas. This guide is in response to thousands of complaints and questions CUB has received over the years about alternative gas suppliers.

These inquiries have ranged from simple questions about choices in the gas market to complaints about bad deals that led to hundreds

of dollars in higher bills. They also include disturbing reports of sales representatives making misleading pitches and in particular targeting senior citizens, low-income people and non-English speakers.

**Warning:** In the current market, it is likely that the regulated utility—Nicor Gas—is your best choice as your natural gas supplier. See the chart at the end of this guide.

## This guide answers the following questions:

- How do I avoid natural gas scams?
- How does gas competition work in Illinois?
- Should I participate in competition?
- How can I tell if I am with an alternative supplier?
- What should I know about the offers from Nicor Gas sister companies?

**Plus, it includes these helpful tools:**

- A handy one-page flyer to share with friends and family.
- An apples-to-apples comparison chart between supplier offers and the utility's price.

# Gas competition in Illinois

Nicor Gas customers are allowed to choose another company (also known as an “alternative retail gas supplier,” or “ARGS”) to supply them with natural gas. This program is called “Customer Select.” Alternative suppliers market their offers in a number of ways: door-to-door, over the phone and through the mail—but also at community events, through friends, and we’ve even received reports of suppliers working through churches.

## How does gas competition work?

Traditionally, a utility buys gas on the market and uses its pipelines to deliver that gas to your home. The utility is supposed to sell the gas at the same price it pays, with no markup. Opting for Customer Select means you will still pay Nicor to deliver gas to your home, but you will pay a different company to buy and supply the actual gas. Unlike your utility, the rates and services of your new supplier are not regulated or reviewed by the Illinois Commerce Commission (ICC). If there is a gas leak or any other problem with your gas service, you would still call the regulated utility, Nicor.

## What consumer protections do I have?

Illinois law mandates:

- You have up to 10 days to cancel a contract once the supplier’s charges first appear on the gas bill

without paying a cancellation penalty.

- After that, no cancellation penalty can be higher than \$50.
- You must give consent, through a signature and a third-party verification process, before being signed up for a door-to-door offer.

## Should I participate in Customer Select?

There’s no guarantee you’ll save money. Since 2003, CUB has been monitoring alternative supplier offers, and the consumer group has found that about 9 of 10 offers marketed by suppliers have been money-losers. Remember, Customer Select is optional. If you don’t sign up, you will continue to be served by Nicor Gas, with rates regulated by the ICC. If you find gas choice too confusing or too risky, you’re not alone, and can opt to remain with the utility.

## How to avoid natural gas scams:

- 1) Be careful about people at your door who say they’re from the “gas company” and offer to lower your heating bill. Don’t give out your account number or gas bill unless you’re absolutely sure you want to sign up for an offer. A dishonest sales person who gets your account number can sign you up for an alternative supplier without your 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 few months and their bill skyrocketed.
- 4) Ask if there is a monthly fee. CUB has seen fees as high as \$9 a month. That’s about \$100 in costs over a year, before you even use any gas.
- 5) Ask if there is an exit fee if you want to leave a plan before the contract is up.
- 6) If you don’t want unregulated gas companies to bother you, get on your utility’s do-not-market list. Nicor customers should call 1-888-642-6748.

# How do I know if I'm with an alternative supplier?

**Beware:** Even if you're with an alternative supplier, you will continue to get a bill from your regulated utility. Alternative suppliers include their charges on the supply section of your utility bill. People on a bad deal often tell CUB they had no idea they were with another supplier until their bill went up. Check your bill each month to see if you're with an alternative supplier. Here's where to look:

## On your Nicor Gas bill:

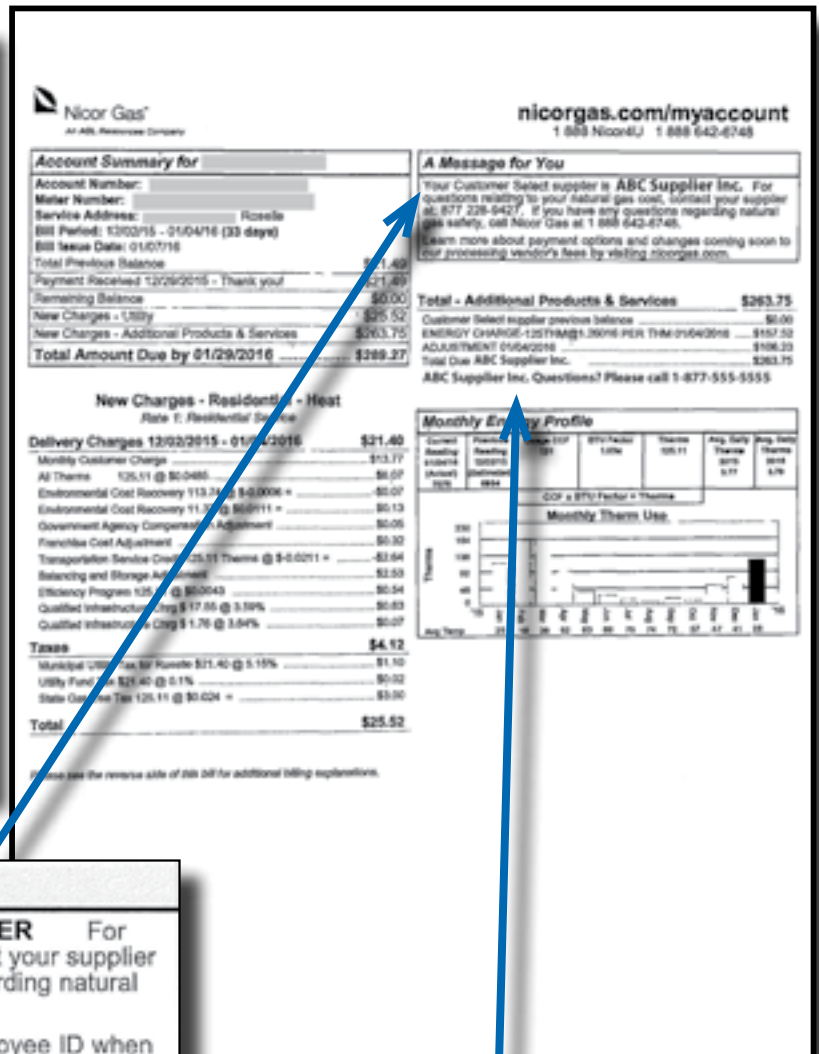
If you're with another supplier, its name should be on page 1, under "A Message for You." A per-therm rate for the alternative supplier should be listed under "Additional Products and Services."

## To end an offer:

If you want to end an alternative supplier offer, call the supplier. The name and number of the company should be listed on your gas bill.

If you think you were fraudulently signed up, tell the supplier you want the exit fee—if it charges one—waived, and push for a full refund. (**Note:** Under Illinois law, a company is not allowed to charge you an exit fee of more than \$50.)

If you're not pleased with the company's response, or you can't reach it, file a complaint with CUB, at [CitizensUtilityBoard.org](http://CitizensUtilityBoard.org), or by calling 1-800-669-5556.



### A Message for You

Your Customer Select supplier is **ABC SUPPLIER**. For questions relating to your natural gas cost, contact your supplier at: **1-555-555-5555**. If you have any questions regarding natural gas safety, call Nicor Gas at 1 888 642-6748.

Your safety is important to us. Ask to see an employee ID when our field team is working in or around your premises. Also, verify your account information with customer service before making a transaction over the phone.

### Total - Additional Products & Services

**\$263.75**

Customer Select supplier previous balance	\$0.00
ENERGY CHARGE-125THM@1.26016 PER THM 01/04/2016	\$157.52
ADJUSTMENT 01/04/2016	\$106.23
<b>Total Due ABC Supplier Inc.</b>	<b>\$263.75</b>
<b>ABC Supplier Inc. Questions? Please call 1-555-555-5555</b>	

Please share this poster with friends and family.

CUB CONSUMER ALERT:

# BEWARE OF GAS RIP-OFFS

## 1) Look at your gas bill.

Is there a strange company listed in the supply section of your bills? You could be paying too much for an alternative gas supplier.

## 2) Ask these questions.

If you're considering an alternative supplier, or are already with one, ask:

- What's the price and how does it compare to the current utility supply price?
- Is the price an introductory rate that changes in a month or two?
- Does the supplier charge a monthly fee that inflates its advertised per-therm price?
- Does the company charge an exit fee for getting out of the deal early?

## 3) Beware....

...of people at your door who say they're from the "gas company." Don't give out your account number or gas bill to just anybody who asks for it. That person may be trying to sign you up for an offer without your permission.

## 4) Questions?



This alert is from the Citizens Utility Board (CUB), a nonprofit watchdog created by the state legislature to fight for lower utility rates. For more information, call 1-800-669-5556 or visit [www.CitizensUtilityBoard.org](http://www.CitizensUtilityBoard.org).

## Customer Select Prices as of November 7, 2018\*

Compare the prices below with Nicor Gas' current 36¢ per therm variable rate.

\*This is a snapshot of plans being offered. The rates and details of these offers can change often, even daily. Beware that plans may change drastically after the initial term. Customer Select participants pay an additional 2.06¢ per therm "Balancing and Storage Adjustment," which varies monthly, and receive a 2.11¢ per therm "Transportation Service Credit." Call a company to verify a rate, to get a plan in writing, and to find out what happens to that plan after the initial term. The rates only reflect the price of natural gas. Nicor Gas will continue to bill you for the cost of delivering gas to your home.

Company	Offer	Term	Fees
<b>Ambit Energy</b> 1-877-282-6248 www.ambitenergy.com	37¢ per therm variable rate (New customers get 5% off utility rate for first 2 months, then a 1% discount the rest of the term. <b>Caution:</b> CUB has taken complaints from customers who have been auto-renewed at a considerably higher rate than what the utility charges.	Variable	No
<b>Comcast Energy Rewards</b> 1-844-684-5506	44.90¢ per therm fixed	12 months	\$50 Cancellation fee
<b>Constellation</b> 1-800-785-4373 www.home.constellation.com	41.9¢ per therm fixed rate	12 months	\$50 Cancellation fee (10-day opt-out period after receiving first bill)
<b>Constellation</b>	37.9¢ per therm fixed rate	36 months	\$50 Cancellation fee (10-day opt-out period after receiving first bill)
<b>Corn Belt Energy</b> 1-866-806-3411	25¢ per therm fixed rate	12 months	No
<b>Direct Energy</b> 1-866-910-3401 directenergy.com	42.9¢ per therm fixed rate	12 months	No
<b>Direct Energy</b>	41.9¢ per therm fixed rate	18 months	No
<b>IGS Energy</b> 1-888-995-0992 www.igsenergy.com	48.9¢ per therm fixed rate	12 months	No
<b>IGS Energy</b>	44.9¢ per therm fixed rate	12 months	\$50 cancellation fee
<b>IGS Energy</b>	48.9¢ per therm fixed rate	36 months	\$50 cancellation fee
<b>Illinois Energy USA, LLC</b> 1-877-292-9363	29.9¢ per therm fixed rate	6 months	\$50 cancellation fee
<b>Illinois Energy USA, LLC</b>	Call for custom quote.	12 months	\$50 Cancellation fee (10-day opt-out period after receiving first bill)
<b>Illinois Energy USA, LLC</b>	41.9¢ per therm "PriceGuard" fixed rate	12 months	\$50 Cancellation fee

<b>Company</b>	<b>Offer</b>	<b>Term</b>	<b>Fees</b>
<b>Illinois Energy USA, LLC</b>	39.9¢ per therm fixed rate	12 months	\$50 Cancellation fee (10-day opt-out period after receiving first bill) \$5.00 monthly fee
<b>Illinois Energy USA, LLC</b>	41.9¢ per therm fixed rate	11 months	\$50 Cancellation fee (10-day opt-out period after receiving first bill)
<b>Illinois Energy USA, LLC</b>	41.9¢ per therm fixed rate (half) 51.3¢ per therm fixed rate (half)	12 months	\$50 cancellation fee (10-day opt-out period after receiving first bill)
<b>Illinois Energy USA, LLC</b>	51.3¢ per therm fixed rate 41.9¢ per therm fixed rate (half)	12 months	\$1.99 monthly fee \$50 cancellation fee (10-day opt-out period after receiving first bill)
<b>Illinois Energy USA, LLC</b>	51.3¢ per therm variable rate	Variable	No
<b>Just Energy</b>	41.5¢ per therm fixed rate	36 months	\$50 cancellation fee (10-day opt-out period after receiving first bill)
<b>Just Energy</b>	42.5¢ per therm fixed rate	24 months	\$50 cancellation fee (10-day opt-out period after receiving first bill)
<b>Just Energy</b>	43.5¢ per therm fixed rate	12 months	\$9.99 monthly fee \$50 cancellation fee
<b>Nordic Energy Services</b> 1-877-808-1022 nordicenergy-us.com	38.25¢ per therm variable rate	Variable	No
<b>NRG</b> 1-855-674-7697	35¢ per therm variable rate (3-month introductory rate).	Variable	No
<b>NRG</b>	33¢ per therm variable rate (3-month introductory rate).	Variable	No
<b>NRG</b>	45¢ per therm variable rate (3-month introductory rate).	Variable	No
<b>NRG</b>	49¢ per therm variable rate (3-month introductory rate).	Variable	No
<b>Realgy Energy Services</b> 1-877-300-6747 www.realgyenergyservices.com	40¢ per therm variable rate	24 months	\$2.50 monthly fee \$50 exit fee
<b>Santanna Energy Services</b> 1-800-827-0067 santannaenergyservices.com	30¢ per therm fixed rate	6 months	\$9.99 monthly fee \$50 exit fee
<b>Santanna Energy Services</b>	36.9¢ per therm fixed rate	12 months	\$50 exit fee
<b>Spark Energy</b> 1-877-228-9427 sparkenergy.com	51¢ per therm fixed rate	12 months	\$4.95 monthly fee \$50 exit fee
<b>Spark Energy</b>	51¢ per therm fixed rate	12 months	No
<b>Spark Energy</b>	52¢ per therm fixed rate	12 months	\$4.95 monthly fee

<b>Company</b>	<b>Offer</b>	<b>Term</b>	<b>Fees</b>
<b>Viridian</b> 1-866-663-2508 www.viridian.com	44.90¢ per therm fixed rate	12 months 25% green	\$50 Cancellation fee
<b>Viridian</b>	44.90¢ per therm fixed rate	24 months 25% green	\$50 Cancellation fee
<b>Viridian</b>	46.79¢ per therm fixed rate	Variable	No
<b>Xoom Energy</b> 1-888-997-8979 xoomenergy.com/en	29.9¢ per therm fixed rate	Variable	No
<b>Xoom Energy</b>	41.9¢ per therm fixed rate	12 months	\$50 cancellation fee (10-day opt-out period after receiving first bill)
<b>Xoom Energy</b>	39.9¢ per therm fixed rate	12 months	\$50 cancellation fee (10-day opt-out period after receiving first bill)
<b>Xoom Energy</b>	39.9¢ per therm fixed rate	24 months	\$50 cancellation fee (10-day opt-out period after receiving first bill)
<b>Xoom Energy</b>	\$29.9/mo fixed for 1,349 therms or less.	12 months	\$50 cancellation fee (10-day opt-out period after receiving first bill)