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### Nuns allege gas supplier misled them

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TRIBUNE REPORTER

February 12, 2008

*Additional material published Feb. 16, 2008:*

#### CLARIFICATION

*An article in Tuesday's Business section referred to a dispute between a religious group, Sisters of the Living Word, and U.S. Energy Savings Corp., a gas utility. The story should have made clear that the utility waived a penalty fee when the nuns canceled their contract with help from an outside party.*

A group of Chicago-area nuns claims that an unregulated natural gas utility, since charged with fraud by the Illinois attorney general, pressured them into signing an exploitative contract.



The Sisters of the Living Word are among hundreds of customers who allege that salesmen for U.S. Energy Savings Corp. misled them about cutting their gas bills. The nuns agreed to five-year contracts that locked in rates almost 50 percent higher than those currently offered by regulated utilities.

When the treasurer for the Roman Catholic order attempted to cancel contracts for gas for two apartments with U.S. Energy Savings, the Toronto-based company tried to charge an additional \$1,180 penalty.

"Our mission is jeopardized by this needless expense," the order's treasurer, Michael Gibbs, wrote in a letter to the Citizens Utility Board, which negotiated with U.S. Energy Savings to revoke the penalty.

A spokesman for U.S. Energy Savings said it behaved properly and that "The sister who had verified the contracts had no concerns with the content of our independent contractor's visit and was satisfied with our response to and resolution of the matter."

Separately, the Illinois attorney general last week filed suit against U.S. Energy Savings after receiving more than 450 complaints. The attorney general's office asked the firm to stop deceptive practices, pay \$50,000 for each incident of fraud, pay another \$10,000 fine for any violation involving a buyer over 65, rescind any contracts signed on a fraudulent basis and repay overcharged customers.

Living Word was not cited in the suit, but Illinois Atty. Gen. Lisa Madigan said, "That's probably one of

the most egregious examples you can find because it offends your moral sensibilities."

In August and October sister Joanne Ingoglia signed contracts for two apartments near O'Hare International Airport. Ingoglia ministered to heroin addicts, served as a school principal, and continues to teach religion, according to the Arlington Heights-based order's Web site.

The letter sent to CUB claims a salesman representing U.S. Energy Savings subjected her to high-pressure tactics and promised that "savings on the cost of gas were 100 percent certain."

A CUB analysis predicts that Peoples Gas customers who switched to U.S. Energy Savings will pay an average of \$676 more over the life of their multiyear contracts.

The Better Business Bureau's Web site says U.S. Energy Savings has an unsatisfactory record due to customer complaints.

Peoples Gas spokesman Rod Sierra said his company does not endorse any alternative utility, which must be approved by the Illinois Commerce Commission before it can market to a regulated utility's customers.

"Once they have the blessing from the State of Illinois to be a marketer, we can't do anything to not let them be," said Sierra, explaining that his firm can only monitor and respond to what U.S. Energy Savings does.

CUB executive director David Kolata said regulated utilities need to be more vigilant.

"Under the rules of this program, Peoples Gas is responsible for policing this," Kolata said. "Peoples Gas needs to step up to the plate."

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