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Deception at your doorstep

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By David Kolata

Say one day, a door-to-door salesman guarantees you savings on your natural gas bill. He claims to work with the government, or with Peoples Gas or Nicor. Maybe he asks you to sign a petition for "lower gas prices." He can lock you into a rate of \$1.09 per therm for five years. You'll be protected from future rate hikes, he promises.

Paying \$1.09 isn't bad when you're paying more than \$3 a gallon to fill up your car, the salesman says. And with a name like U.S. Energy Savings Corp., how can you go wrong?

What you don't know is that this gas "deal" rates among the worst ever in Illinois. Your bills skyrocket, and to exit this "deal" you must pay hundreds of dollars.

CUB's database has thousands of complaints just like this, and our Gas Market Monitor shows that U.S. Energy customers have lost hundreds of dollars on average. In 2006, the company promised to improve after CUB accused it of deceptive marketing - but since then we've gotten 1,500 U.S. Energy complaints. Add to that a recent undercover TV probe, and U.S. Energy's track record looks about as bad as its high-priced plans.

Chicago's CBS 2 revealed that U.S. Energy sales trainees were encouraged to guarantee savings and offer protection from "any of the upcoming price increases," falsely implying that customers would be shielded from the recent \$71 million Peoples Gas increase. All Chicago consumers pay that "delivery" rate hike.

CBS also reported that trainees were advised to compare a "therm" (about how much natural gas it takes to run a typical furnace for an hour) to a gallon of gasoline - a completely different commodity. One trainer even bragged he could sell to "somebody who doesn't speak a lick of English," CBS revealed.

U.S. Energy responded that all those sales tactics were unauthorized. If that defense is true, it just shows that the company lacks the managerial capabilities required to oversee a sales force.

As complaints piled up, consumer advocates said enough is enough. Attorney General Lisa Madigan has sued to make U.S. Energy compensate customers who were cheated - and just this week, CUB, AARP Illinois, and Citizen Action/Illinois filed a deceptive-marketing complaint with state regulators. The complaint asks them to ban U.S. Energy's deceptive tactics, wipe out illegally high "exit" fees, levy fines and consider revoking the company's certification to operate here.

If you feel U.S. Energy defrauded you, file an online complaint with CUB (www.CitizensUtilityBoard.org), write us (208 S. LaSalle St., Ste. 1760, Chicago, IL 60604), or fax us (312-263-4329) your complaint.

U.S. Energy denies that it guarantees savings, but that's a weak argument for a company whose middle name is - literally - "savings." Just remember: Given its track record the last few years, with U.S. Energy Savings Corp. the "savings" are in name only.

Citizens Utility Board executive director David Kolata writes a column each month. To reach CUB, call (800) 669-5556 or e-mail info@citizensutilityboard.org.

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