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## What a deal - use less, pay more

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Leave it to Illinois' big utilities to find a way to penalize consumers for doing the right thing.

With Chicago-area natural gas prices at record levels and a new \$71 million rate hike in place for Peoples Gas, many customers are trying to cut back. But Peoples Gas has devised a clever scheme to ensure it profits even when customers dial down the thermostat or install more efficient appliances - and the state's other big gas companies are following suit.

The technical name for this money-making tool is "revenue decoupling," but I like to call it the "use less, pay more" surcharge. Here's how it works:

In months when natural gas usage drops below predicted levels, Peoples Gas gets to add a surcharge to bills to make up for that lost revenue. In months when usage is higher than expected, consumers receive a credit.

It's a double whammy. First, you pay a big rate hike to the gas company. Then, if you use less to save money on your bills, you get hit with a surcharge.

When combined with smart, aggressive energy-efficiency programs - as other states have done - decoupling can provide an incentive to help utilities curb energy demand. Unfortunately, Peoples Gas designed it simply to be a money-making tool for the company. In fact, the utility's data shows consumers would have paid more than \$200 million in higher rates had the surcharge been in place for the past five years.

CUB, the Illinois attorney general's office and even the Illinois Commerce Commission's own staff opposed the surcharge, arguing it is unfair and illegal. But the ICC approved it anyway, without tying the plan to any meaningful energy-efficiency programs.

With the Peoples Gas victory at the ICC fresh in their minds, other utilities now want a piece of the action. Naperville-based Nicor Gas recently asked for a \$140 million rate hike that includes a similar surcharge, and downstate Ameren, proposing a \$247 million gas and electric increase, has jumped on the bandwagon, too.

CUB will continue to oppose the "use less, pay more" surcharge until the utility companies get serious about energy efficiency. We're planning an appeal to the state appellate court, and we're supporting a bill in the state legislature, HB 5378, which bans the whole scheme outright. You can go to CUB's Web site, [www.CitizensUtilityBoard.org](http://www.CitizensUtilityBoard.org), to print out a petition in favor of the bill. (See: Beat the "Use less, pay more" gas surcharge)

Saving energy is good for our pocketbooks, good for the planet and it's the best long-term way to lower energy prices. That's a good thing - but penalizing consumers in the name of energy conservation is not.

Unfortunately, it's the kind of maneuver Illinois consumers have come to expect from their utility companies.

*Citizens Utility Board executive director David Kolata writes a column each month. To reach CUB, call (800) 669-5556 or [e-mailinfo@citizensutilityboard.org](mailto:e-mailinfo@citizensutilityboard.org)*

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