



ATTEND! Graduate **Open House**
September 13, 2008 at 9:30 a.m. in the Krasa Center

Benedictine University
(866) 475-3716
admissions@ben.edu

Customers fired up over Nicor bills

By Steve Daniels

Sept. 01, 2008

Hundreds of Nicor customers are fuming over their gas bills, saying the suburban utility is socking them with bloated bills that stem from infrequent meter readings.

Consumer watchdog Citizens Utility Board has fielded almost 500 complaints on the issue over the past six months, an 83% increase from the year-earlier period. The Illinois Commerce Commission, which oversees utilities, has received more than 360 such complaints for the year to date vs. 280 for all of last year. It plans to look into the matter, a spokeswoman says.

Customers say Naperville-based Nicor Inc. isn't reading their meters for months at a time — and sometimes for a year or longer — and is underestimating their usage in the meantime, according to CUB. Then, after the company reads the meter, customers see eye-popping increases in their bills without explanation.

In many cases, the makeup amounts are charged at the current cost of natural gas, which for much of this year has been far higher than it was in 2007, according to CUB. That adds even more to customer bills. Under state rules, utilities are supposed to read meters at least once every two months and adjust for the fluctuating price of gas over time.

Gary Miller, who owns Badda Bing's Italian Beef & Sausage in south suburban New Lenox, was blown away when his July gas bill for the business topped \$3,580. Until then, his monthly bill this year had ranged from \$92 to \$911. The reason he was given for the increase: The meter hadn't been read since January, just before Badda Bing's opened.

"It's hard to budget for that kind of thing," Mr. Miller says. He says he asked Nicor if he could pay in installments and was told no. (Nicor says payment plans should be made available in such cases.)

The amount also should have been pro-rated to reflect the cost of gas over the seven months since the meter had been read, CUB says.

"I didn't know that at the time," Mr. Miller says. "I didn't want it hanging over my head." He tapped his home-equity line of credit to pay the bill early last month.

Nicor, which has 2.2 million customers, says it tries to read meters every other month but sometimes can't when people aren't home to let them in, among other reasons. Past-due amounts shouldn't all be collected in a single month, the company says, but it allows that mistakes can happen.

HEIGHTENED CUSTOMER AWARENESS

Kevin Kirby, vice-president of customer care for Nicor, attributes the spike in complaints to heightened awareness of gas prices spurred by the rise in energy costs. "There is nothing systemic" that needs to be fixed

with Nicor's billing systems, meter-reading or handling of complaints, he says.

Nicor says it employed 165 meter readers as of the end of July compared with 160 at the same time last year. Its internal data show that employees are reading 94% of meters at least every 60 days, as required. Last year that figure was 93%.

The spike in complaints coincides with Nicor's request last spring for a \$140-million rate hike that would add \$4.60, or 5%, to the average monthly bill. Utilities cautioned customers to prepare for higher heating bills this winter due to the rising price of natural gas.

"We haven't seen this with other gas companies," says David Kolata, executive director of CUB. "The volume of complaints demands a better explanation."

An ICC spokeswoman says similar billing complaints for Chicago utility Peoples Gas are down this year. Mr. Kirby attributes that to Peoples' automated system, which doesn't require meter readers to enter the home. The technology is expensive, but Nicor may consider adopting it in the future, he says.

©2008 by Crain Communications Inc.
