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Consumers are checking their gas bills twice

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What's Your Problem?

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Anthony Palermo's Nicor gas bill says he owes \$104 this month, but the Melrose Park resident knows better.

For the second month in a row, the gas company estimated his usage.

And for the second month in a row, the gas company was wrong.

Nicor claims he has used 153 therms of gas since it gave him a new outdoor meter this summer. Palermo read the meter himself Nov. 8, a day after he received his bill. His total usage was 49 therms.

"I'm infuriated," Palermo said. "I'm only interested in paying what I owe, nothing more."

Nicor told Palermo it will send an employee to his house Monday to read his meter and adjust his bill accordingly.

Still Palermo's upset, saying he should not have to pay upfront for gas he hasn't used.

Judging from the number of e-mails What's Your Problem? received after Thursday's column about Nicor, Palermo is not alone.

The Problem Solver is devoting today's column to all things gas—the first "Guide to Not Getting Burned By Your Heating Provider."

Estimated bills

The most frequent complaint the Problem Solver receives about gas companies are over estimated bills.

The Illinois Administrative Code says gas companies are supposed to physically read your meter at least every other month. But Aimee Gendusa-English, a consumer rights counselor for the Citizens Utility Board, said there are loopholes in the rule.

For instance, if your gas meter is inside, the company can claim it did not have access to take a reading. Gas companies can also say they are short staffed or that the weather was too bad for the meter readers to make their rounds.

The issue has been largely resolved at Peoples Gas, where 95 percent of customers' meters are automated. The meters send an electronic signal to a gas company employee, who records the reading without entering the customer's home.

Estimated bills are more common at Nicor. Company spokesmen said the estimated bills save consumers money by allowing the company to employ fewer meter readers, thus reducing costs.

But many What's Your Problem? readers disagree.

Claudia Mar, the subject of Thursday's column, was convinced the estimated readings for her deceased mother's house in Berwyn were wrong. Since her mother died in June 2007, the house has been vacant and the thermostat set around 50 degrees.

Because the gas meter was in the basement, Nicor did not have access to it. The outstanding bill, estimated based on usage when her mother was living there, topped \$1,000 last month.

After the Problem Solver called the gas company on Mar's behalf, Nicor recalculated the bill based on an actual reading. Friday morning, Nicor called Mar and told her it owed her a \$626.21 rebate.

Mar said she will begin reading the meter herself every month and calling in the numbers.

Nicor and Peoples Gas allow consumers to call in meter readings or enter the numbers on the companies' Web sites.

Gendusa-English said it's a good way to keep the gas companies honest.

"We would like people to read their own meters more," she said. "That's one way to take matters into their own hands and be an empowered consumer."

For tips on how to read your meter, visit CUB at citizensutilityboard.org.

Avoiding shut off

With the economy tanking, gas companies expect more customers to have trouble paying their bills this winter.

Jim Chilsen, a spokesman for CUB, said consumers should fight tooth and nail to keep their gas on.

"The general idea is to be assertive," Chilsen said. "The last thing you want is to get disconnected because then the gas company has you under the lion's paw."

Once you're disconnected, gas companies can make you pay the entire debt, plus a deposit of at least one-sixth of your annual bill, plus a reconnection fee.

In other words, avoid it.

While the gas companies have policies about disconnections, the state also regulates the issue.

"The only reliable rule is [gas companies] cannot disconnect your heat source if it's at or below 32 degrees or projected to fall below 32 degrees during the next 24 hours," Gendusa-English said.

From Dec. 1 through March 31, the state's "winter rules" require the gas companies to give customers who fall behind on their bills the option of entering a payment plan. Consumers can then pay 10 percent of what they owe with at least four months to pay off the rest, Gendusa-English said.

Rod Sierra, a spokesman for Peoples Gas, said his company does not shut off any customers from Dec. 1 through March 31.

Spokesman Richard Caragol said Nicor goes "above and beyond" the 32-degree rule but would not go into specifics.

"We're entering the season where typically we don't disconnect until spring," he said. "We try to work with our customers."

Help paying your bills

Both companies said customers struggling to make payments should call them immediately.

"It is in our best interest and the best interest of our customers to maintain the flow of gas," Caragol said.

Sierra at Peoples Gas said his company has loosened its rules for customers who have fallen behind on payments, and plans to do so again in the spring, when its moratorium on disconnections is lifted.

The company is also calling struggling customers to tell them help is available through the Low Income Home Energy

Assistance Program, a federally funded program that provides money for heating bills.

This year, Illinois received \$265 million to distribute through LIHEAP.

Sierra said all Peoples customers who received help from LIHEAP last year will receive an automated call about the service this year. Starting next week, an additional 55,000 customers in line for disconnection will receive similar calls.

"The help is there, so come and get it," Sierra said. "There's no shame in that."

Nicor customers who make more than the federal limits for LIHEAP can also apply to the Nicor Gas Sharing Program, administered by the Salvation Army.

The program takes contributions from Nicor employees and customers and uses them for one-time grants of up to \$450 to pay gas bills.

Some other advice

If you're tempted to enroll in a program that promises to save you money by locking into a certain price for gas, CUB says beware.

"We have yet to find anybody who has saved money under those plans," said Chilsen, the CUB spokesman. "People should know there's a significant mark-up built into those offers."

One of the programs Chilsen is referring to, Lock 12, is offered by Nicor Advanced Energy, an affiliated company of Nicor Inc.

Annette Martinez, a Nicor spokeswoman, said thousands of customers have saved money under such programs, particularly if gas prices soar.

"With gas prices being so volatile, it's like an insurance plan customers can purchase to rest assured their bill is going to be the same no matter what happens in the natural gas market," Martinez said.

Chilsen disagrees. He advises consumers to opt for Nicor's budget plan, which allows you to pay a set amount each month throughout the year, evening out the high-cost winter months with the low-cost summer months. The amount you pay is adjusted every four months, and you don't wind up paying more or less than the total you actually owe.

Other plans, such as Lock 12, are unregulated and will not refund money if gas prices are less than what you paid.

"The prices would have to be so astronomically high to make it a money saver," Chilsen said. "It's like waiting for the 100-year flood."

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