

www.chicagotribune.com/business/chi-biz-illinois-natural-gas-contracts-april9,0,3722270.story

chicagotribune.com

Illinois makes it easier to get out of natural gas contracts

By Joshua Boak

Tribune staff reporter

1:16 PM CDT, April 10, 2009

In response to problems with natural gas deregulation, Gov. Pat Quinn signed into law Friday a bill limiting to \$50 how much gas companies can charge customers who cancel their service. Some companies had been charging as much as \$1,000 to end contracts.

The new law also would require gas companies to keep better sales records, a response to more than 3,000 consumer complaints that have been lodged with the state since 2005. "It's important in these tough economic times that we enhance our consumer protection," Quinn said.

As a result of deregulation in 2002, Illinois consumers can purchase gas from local utilities or from so-called alternative suppliers and affiliates of their local utilities.

A recent report by the Chicago Tribune showed that some customers who thought they had signed with their local utility had actually contracted with an affiliate of the same company.

For example, Nicor Gas and an affiliated supplier, Nicor Advanced Energy, both are owned by Naperville-based Nicor and have similar logos. The newspaper reported about customers of Nicor Advanced Energy who said they were charged anywhere from \$600 to \$2,000 more a year than if they had received their gas from Nicor Gas. Nicor in the report said its disclosures about the companies met state regulations.

Illinois Attorney General Lisa Madigan said at Friday's signing that her office will use the new law to ensure that customers can distinguish between their utilities and spinoff companies.

"It will provide disclosure upfront," Madigan said, noting that the new law is needed because gas deregulation had "turned into a costly scam" for too many people.

As reported in the Tribune report, analysis by the Citizens Utility Board, a watchdog group, found that 91 percent of so-called alternative supplier contracts usually resulted in consumers paying more for their gas than if they had contracted with their local gas company.

Jboak@tribune.com

Copyright © 2009, [Chicago Tribune](#)

