

## New law protects gas consumers

By Meghan Streit

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(Crain's) — Gov. Patrick Quinn on Friday signed a law that regulates alternative natural gas suppliers' marketing to protect consumers from misleading advertising and excessive termination fees.

The measure, which was initiated by the Illinois Commerce Commission, allows residential and small commercial customers to cancel agreements with alternative natural gas suppliers within 10 days, the agency said. The law also limits early termination fees to \$50.

An ICC representative was not available for comment.

"The protection of everyday consumers is vitally important," Mr. Quinn said in a statement. "This law will allow state regulators to keep a closer watch on companies that want to take advantage of our citizens."

David Kolata, president of the watchdog group Citizens Utility Board, said his organization has received many complaints from consumers who say they were misled by advertisements from alternative natural gas suppliers.

"The bottom line is that program really isn't working well," Mr. Kolata said. "We've been tracking offers from all of these (alternative natural gas) companies, and about 91% of offers made so far have been money losers for consumers."

Mr. Kolata said one of the alternative suppliers that had been at the root of consumer complaints is U.S. Energy Savings Corp., a unit of Canada-based Energy Savings Income Fund. U.S. Energy has also been named in a lawsuit filed by Attorney General Lisa Madigan and in an ICC complaint initiated by CUB, Mr. Kolata said.

U.S. Energy attracts customers by offering a fixed rate for natural gas for a contract's duration. A spokesman said an internal study showed that customers did save money by switching to U.S. Energy. The company supplies gas to about 1 million customers in North America, but the spokesman declined to say how many of those are in Illinois.

"We promise a rate and we guarantee that rate for the term of the contract," he said. "If you go with a utility, it goes up and down monthly."

The U.S. Energy spokesman said his company supports the new law. He said U.S. Energy already permits customers to cancel a contract without penalty within 30 days after they receive their first bill, a longer period than required by the new Illinois law.

Friday's legislation will, however, reduce the early termination fee that U.S. Energy can charge Illinois customers who cancel contracts. The company presently assesses a \$75 fee for each year remaining in a cancelled contract. Under the new law, U.S. Energy will only be able to collect a \$50 one-time fee.

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