



Filed under **Consumer news, Energy**

Consumer watchdogs hit Nicor on ComfortGuard

By Julie Wernau

Posted Nov. 24 at 4:48 p.m.

A large number of Nicor Gas customers are overpaying for a repair service that is rarely used, according to consumer advocates who argue that utility is improperly selling the service through an unregulated affiliate to divert revenue to the utility.

About 20 percent of Nicor customers are signed up for the service — Gas Line ComfortGuard — which covers the cost to inspect and repair a gas leak in a home. They pay \$4.95 per month, but just 2 percent of those customers ever need the service, and the average payout is just 10 cents per month per customer, according to an analysis by consumer watchdog group Citizens Utility Board.

Nicor Services, the unregulated Nicor Gas affiliate that sells ComfortGuard, strongly disagreed with the claims, saying the service provides “real value” to and protects consumers. Since its inception 12 years ago, ComfortGuard customers have received 65,000 repairs and 11,000 inspections from the service, the company said.

| DJIA | NASDAQ | S&P500 |
|--|----------------|---------------|
| 11476.54 | +47.98 2627.72 | +2.81 1241.59 |
| Chicago's best performers | | % Change |
| Baxter International Inc. | | +2.86% |
| Tenneco Inc. | | +2.77% |
| Heidrick & Struggles International, Inc. | | +2.34% |
| Chicago's worst performers | | % Change |
| Inland Real Estate Corporation | | -4.26% |
| OfficeMax Incorporated | | -4.12% |
| optionsXpress Holdings, Inc. | | -3.47% |
| Chicago's most active | | Volume |
| JPMorgan Chase & Co. | | 33,917,968 |
| Motorola, Inc. | | 21,923,400 |
| Sara Lee Corp. | | 9,275,754 |

[More of Chicago's top stocks »](#)

Advertisement:

Stay informed

 Sign up for BizWrap, our daily email newsletter

Nicor is legally obligated to investigate gas leaks for free and shut off the gas if necessary, but according to testimony filed with the Illinois Commerce Commission by CUB and the Illinois Attorney General's office, customers have been misled into believing that if they don't enroll in the service, the utility won't inspect or repair gas leaks.

An analysis of 2009 Nicor customers found:

– The annual cost of ComfortGuard is \$59.40; yet, customers who weren't enrolled paid just \$47 per year on average for gas-leak related repairs.

– For non-ComfortGuard customers, less than 3 percent of gas leaks repairs were more than \$100.

– The utility is pulling in more than \$2 million in revenue per month from the subscription service while spending less than \$50,000 on repairs.

Nicor spokeswoman Annette Martinez called CUB's profit claims "widely inflated" with "no basis in reality." She said revenue from the program helps lower utility bills, and marketing materials are clear about what the service does and does not provide.

An ICC ruling to determine the fate of the program is expected in early 2011.

Read more about the topics in this post:

[CUB](#), [Gas Line ComfortGuard](#), [Illinois attorney general](#), [Nicor Services](#)

Related

You may also like

• [Nicor has been looking for a buyer for 2 months](#)

• [Share](#)

• [Nicor shares rise on news of](#)

•

 [Subscribe to our newspaper](#)

 [Get alerts sent to your phone](#)

 [Follow us on Twitter](#)

 [Subscribe to our RSS feed](#)

Chicago Tribune Business Section

1. [Senate spending bill includes \\$8 billion for nuclear loan guarantees](#) 23 minutes ago

2. [Shoppers are buying, CEOs are in hiring mood and economists are growing optimistic about 2011](#) 43 minutes ago

3. [Appeals court upholds convictions, vacates sentence of Ohio herbal supplement company founder](#) 1 hour ago

4. [APNewsBreak: NTSB finds no external corrosion on gas pipe that exploded in Calif neighborhood](#) 1 hour ago

5. [Environmentalists sue ExxonMobil's largest US refinery, accuse it of violating Clean Air Act](#) 1 hour ago

[More stories »](#)

Top stories

1. [Computer prices reverse course, start to rise »](#) 1 hour ago