



Citizens Utility Board

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CONSUMER VICTORY: COMPLAINT BY AG MADIGAN AND CUB RESULTS IN SETTLEMENT THAT WOULD END UNREGULATED NICOR AFFILIATES FROM USING UTILITY NAME/LOGO

Nicor Advanced Energy—an unregulated gas supplier that has sparked complaints from confused customers whose gas bills went up—will change its name and logo, under a settlement hailed as a consumer victory by Attorney General Lisa Madigan and the Citizens Utility Board (CUB) on Thursday.

The settlement is part of Atlanta-based Southern Co.'s proposed buyout of Nicor parent AGL Resources, which must receive final consideration by the Illinois Commerce Commission (ICC) for approval by September.

Under the agreement, Nicor Advanced Energy would be required to peddle any gas offers under a new name by Jan. 1, 2018. The settlement also covers Nicor Solutions, which has offered a controversial fixed-bill product in Northern Illinois.

For years, customers have complained to Attorney General Madigan and CUB that they had no idea the unregulated Nicor affiliates were different from the regulated utility, Nicor Gas, because the names and logos looked so similar. Customers often said they thought they were simply signing up for a special Nicor Gas offer to help them control costs, only to see their gas bills go up with the unregulated companies.

“We’re pleased Nicor has agreed to end the deceptive practice of promoting an affiliate company with the same name and logo,” Attorney General Madigan said. “Too many Illinois consumers trusted they were buying service from a known utility and saving money by doing so. Consumers can make better, more informed choices with this practice eliminated.”

“A lot of people want to choose their own supplier in the gas market, but that doesn’t mean they want to be ripped off,” CUB Executive Director David Kolata said. “You can’t have a healthy gas market if there’s customer confusion, so this settlement is a big step forward in protecting consumers.”

Customers have reported that Nicor Advanced Energy offers have led to higher bills. A recent CUB review of Nicor Advanced Energy offers in Nicor Gas territory found prices as high as 36.4 cents per therm, which is about 40 percent higher than Nicor Gas’ price of 26 cents per therm in May.

Nicor Solutions also marketed a product that offers customers a fixed monthly gas bill for a year. These fixed-bill product have led to numerous complaints from consumers who said their costs went much higher than they would have under the standard rates of Nicor Gas.

Also under the settlement, the companies have agreed to include language on their websites and bills explaining that they are not the same as Nicor Gas and that customers don’t have to buy from the affiliates in order to experience good utility service.

CUB is Illinois’ leading nonprofit utility watchdog. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, it has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more information, call CUB’s Consumer Hotline, 1-800-669-5556, or visit its award-winning website, www.CitizensUtilityBoard.org.

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