



Citizens Utility Board

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STATEMENT BY CUB EXECUTIVE DIRECTOR DAVID KOLATA ON ICC PASSAGE OF NEW CONSUMER PROTECTIONS FOR ELECTRIC CUSTOMERS

We are pleased that the Illinois Commerce Commission (ICC) has passed new rules to strengthen consumer protections against misleading and confusing marketing by unregulated electricity suppliers.

People deserve to have clear and upfront information about the offers being peddled by power suppliers. However, CUB has heard far too many complaints from Illinois consumers who were surprised to pay double, triple, even six times the rate of the regulated utility—and some people didn't even know they were with an alternative supplier until their bills skyrocketed.

You can't have a healthy electricity market if you don't have strong consumer protections, so the ICC's vote is a big step in the right direction. We commend the ICC, led by Chairman Brien Sheahan, for standing up for consumers, and we urge the General Assembly to support these rules in full.

Background:

*Customers in Commonwealth Edison and Ameren Illinois territory can choose a company other than the regulated utility to supply them with electricity. On Thursday, Sept. 22, the ICC voted unanimously to require alternative electricity suppliers to operate under stronger marketing rules.

*In the summer of 2014, CUB and the City of Chicago requested an investigation of Illinois' electricity market, prompted by reports of confusing and/or misleading offers and high prices. After a series of workshops, the ICC started a rulemaking proceeding in September of 2015 (Docket No. 15-0512), with the goal of increasing consumer protections for electricity shoppers.

*Some of the reforms the ICC approved:

- Prohibits alternative suppliers from using a utility's name and logo to market its products.
- Requires suppliers to provide 12 months of pricing history for an offer.
- Requires suppliers to send a separate written notice to customers when a variable rate will increase by 20 percent or more.
- Requires supplier sales agents to go through a uniform training program, developed by ICC staff.
- Requires suppliers to permit customers to cancel service without termination fees if the company cannot prove that the customer authorized the switch.
- Requires suppliers to give notice in writing and by telephone that a contract will be renewed.
- Requires suppliers to disclose the terms of renewed contracts. If the new terms differ from the existing contract, then a side-by-side comparison of the existing and new terms must be provided.

*This is one step in a long process. Thursday's ICC vote on the new rules was the "First Notice Order." After that order is published in the Illinois Register, parties like CUB and alternative suppliers have 45 days to file additional comments. Then the ICC has up to a year after the publication date to enter a Second Notice Order. The rule then goes to the Illinois General Assembly's Joint Committee on Administrative Rules (JCAR), a bipartisan legislative committee that has ultimate authority on whether and how the final rule is approved. CUB hopes the new rules are quickly approved, so they can be implemented next year.

*Consumers who have questions about alternative suppliers should visit CUB's Electric Page, at www.CitizensUtilityBoard.org. The page includes a free tool to help electricity shoppers: www.CUBPowerCalculator.com.

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

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www.CitizensUtilityBoard.org