



CUB Facts Natural Gas

Nicor Advanced Energy Plans

Have you been offered a plan from Nicor Advanced Energy?

Nicor Advanced Energy, an unregulated sister company of Nicor Gas, the utility, markets plans in northern Illinois: Guaranteed Bill (formerly Lock 12), PriceCap, PriceGuard, Flex and TruBalance. Given the structure of most of these plans, it's impossible to make an "apples-to-apples" comparison with the rate offered by your utility, Nicor Gas, Peoples Gas or North Shore Gas. Unlike with a utility, the rates of Nicor Advanced Energy are not regulated or reviewed by the Illinois Commerce Commission (ICC), meaning the company can charge whatever it wants. Nicor Advanced Energy "acknowledges you may or may not save money" on its plans. Each offer is explained in greater detail below.

Most of the plans have a \$50 cancellation fee. You can avoid the fee if you cancel the agreement within 10 business days of the issue date of your first bill.



What is it?

This program locks you into a fixed monthly natural gas bill for 12 months, all surcharges and taxes included. According to the company, your "customized" monthly billing amount is determined by such factors as weather forecasts, gas prices and your past gas usage. The price also includes a markup. Nicor Advanced Energy reserves the right to increase your billing amount if your usage goes beyond what would be expected for the weather.

CUB Analysis

CUB has yet to find a customer who has saved money under Guaranteed Bill. This is NOT your utility's budget-billing plan, which attempts to even out your monthly bills over a year.

Similar to Guaranteed Bill, the budget-billing amount is based on past usage, projected gas prices and weather forecasts. Unlike Guaranteed Bill, the monthly budget-billing amount can be adjusted, and there's no markup.

In fact, if the utility overestimated your usage and assigned you a monthly billing amount that's too high, it will reimburse you at the end of the year. Remember, if you pay more under Guaranteed Bill than the standard utility rates, you do NOT get that money back.

Is Nicor Advanced Energy the same as Nicor Gas?

No. Despite having a similar name and logo, the two companies are not the same. Nicor Advanced Energy is an unregulated sister company of the utility, Nicor Gas. Normally, you pay your utility—Nicor Gas, Peoples Gas or North Shore Gas—for the natural gas you use as well as the cost of delivering it to your home. By signing up for Nicor Advanced Energy, you are paying that unregulated company for its gas. You will still pay your utility to deliver that gas to your home.



PriceCap is not available at the present time

What is it?

Under PriceCap, you pay a monthly variable price that is the sum of the first-of-month (FOM), Bidweek Survey index price at the Chicago Citygate, published in Natural Gas Intelligence (NGI) - and a cents-per-therm charge. You will always pay this monthly variable price or a cents-per-therm price cap, whichever is lower.

CUB Analysis

PriceCap's complexity coupled with the volatility of the gas market make it difficult to tell whether it would ever save you money. In addition to

the variable rate, you also pay a "monthly administrative fee" for this plan.



What is it?

This plan locks customers into a fixed price per therm for one year. It's not clear how Nicor Advanced Energy sets the price, but the company makes it clear PriceGuard may not offer a lower rate than the utility.

CUB Analysis

Fixed rates are tempting, given record-high gas prices over the past few years. But lock-ins can lose you money, unless prices stay high for an extended period of time. Remember, you are locked into that rate for a year. What seems like a good deal now, may not be in a few months. Also, Nicor Advanced Energy reserves the right to increase the per therm price "due to any regulatory, tariff or procedural change."



What is it?

Similar to PriceCap, the FlexPlan charges you a variable rate, which can change on a monthly basis. The company has at times offered at least a nickel per therm savings in the warmer months of the plan (ending by Oct. 31), when usage is typically lower.

CUB Analysis

It's difficult to assess whether a complicated plan like this will save you money. With the promised discount, you could save in warmer-weather months when usage is typically low. However, it's possible those savings could be wiped out during the winter-months, when you use the most gas.



What is it?

This plan is a 50-50 combination of a variable price per therm plan and a fixed price per therm plan. The company calculates an "Allocated Actual Monthly Usage" (AAMU), based on your total usage during the billing period, with each month weighted by actual Heating Degree Days (HDDs) based on the temperature taken at Midway Airport and estimated consumption behavior related to HDDs and other factors. Half of your AAMU will be charged at a fixed per-therm rate, and the rest will be charged at a variable rate. The total charges for each day are then added to calculate your monthly bill.

CUB Analysis

This is a complex and confusing plan. Given the volatility of the gas market, as with the other plans, you're gambling that Nicor Advanced Energy's price will be better than the utility's rate.