CUB ALERTS CONSUMERS TO CHANGE IN COM ED, AMEREN POWER PRICES, WATCHDOG WARNS OF RIP-OFFS PEDDLED BY ALTERNATIVE SUPPLIERS

The Citizens Utility Board (CUB) on Friday alerted Illinois consumers that supply prices charged by Commonwealth Edison and Ameren Illinois have increased by 10 percent and 19 percent, respectively, compared with last October.

Now that a pandemic-related ban on door-to-door marketing has been lifted, CUB warned Illinois consumers to beware of unscrupulous alternative supplier sales representatives that may try to take advantage of news about higher utility supply rates to lure customers into bad deals. The higher power prices arrive as customers already face natural gas prices that are about double or triple what they paid last year, signaling an expensive winter.

“This winter could get rough for a lot of Illinois consumers who were already struggling financially because of the pandemic,” CUB Executive Director David Kolata said. “State and federal officials will need to take additional steps to protect electric and gas customers in the months to come. In the long term, given that extreme weather is a contributing factor to high energy prices, this argues for launching policies designed to shield consumers from climate change and its costly consequences.”

As of Oct. 1, ComEd’s non-summer “price to compare”—the rate customers should compare with alternative supplier offers—is about 10 percent higher than last October’s rate. Ameren’s is up by 19 percent, for the first 800 kilowatt-hours (kWh) of usage. According to the Illinois Commerce Commission (ICC), these are the new prices through May 2022:

**ComEd:**
7.777 cents per kilowatt-hour (kWh) for all kWhs
*Note:* This rate includes ComEd’s supply price plus a transmission charge.

**Ameren Illinois:**
5.407 cents per kWh for 0-800 kWh, 5.209 cents per kWh for usage over 800 kWh
*Note:* This rate includes Ameren’s supply price, a transmission charge and a supply cost adjustment.

ComEd and Ameren do not profit off the price of electricity—they pass those costs onto customers with no markup. However, the companies do profit off the rates they charge customers to deliver electricity, and both ComEd ($45 million) and Ameren ($60 million) are currently asking for delivery increases, which would go into effect this winter season (Jan. 1). Natural gas—the source of heat for about 80 percent of Illinois homes—has seen even worse price increases heading into the winter. In October, major gas utilities are charging about double or more what they charged last October, according to the utilities' tariffs.

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The high energy prices are due to a number of factors, including that gas production has slowed in recent years. But extreme weather has also played a key role. Last winter, record cold across the South froze pipelines and wellheads, limiting supply in the natural gas network just as demand was increasing. Months later, utility customers are still dealing with skyrocketing gas prices. Also, air conditioning demand was up this summer, due to high temperatures. Gas prices impact electricity supply rates, because natural gas is often used to generate power.

CUB offered tips for energy customers caught in this high-priced winter:

**Beware of alternative supplier rip-offs.** This week, state regulators lifted a pandemic-related ban on door-to-door alternative supplier marketing that had been in place for about 18 months. CUB is concerned that sales representatives will use marketing ploys that take advantage of the higher utility prices to lure customers into bad deals. "A market with higher utility prices is fertile ground for misleading, high-pressure sales pitches and rip-offs," Kolata said.

Remember: Alternative suppliers are subject to the same market conditions that impact utility power prices, but they are allowed to set their prices as high as they want. Far from being an opportunity to save money, the electric and natural gas markets have been rife with bad deals and rip-offs. If an alternative supplier offers a deal that seems too good to be true, there’s a good chance it is. Your utility is likely your best bet.

**Energy efficiency can help soften the blow of high prices.** Energy efficiency is always important, and it’s especially key at times like this. Visit CUB’s Clean Energy page, at CitizensUtilityBoard.org, for information on efficiency programs and tips available to consumers. Also, CUBHelpCenter.com has tips and information on high gas prices.

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