

U.S. Energy customers can apply for refunds

Settlement with Citizens Utility Board ends slamming allegations

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The Citizens Utility Board said Wednesday it has settled its complaint against U.S. Energy Savings Corp., a Canada-based alternative energy company, which will allow customers to cancel their contracts without penalty and get some money back.

However, the total amount of the settlement and what the company is reserving for the refunds remains confidential, officials said.

"We believe there's enough in the fund so that everyone, who is eligible, will receive a refund," said CUB Director of Litigation Rob Kelter.

The amounts being refunded will be capped, and that cap also remains confidential, said U.S. Energy President Ken Hartwick.

"We don't believe a significant number of customers will be seeking refunds," said Hartwick, "because we don't believe we've done anything wrong. Perhaps there were a few instances where customers had misunderstood, but we've taken care of that."

From August 2005 through April 2006, CUB received about 50 complaints, mostly from people who spoke little or no English and senior citizens. They said salesmen claiming to represent Nicor Gas, Peoples Gas, the ICC and even CUB had urged consumers to protect themselves from rising natural gas prices and to lock in a rate. But that rate often was higher and contracted for five years.

In April, CUB filed a complaint before the Illinois Commerce Commission, charging U.S. Energy with slamming Nicor Gas and Peoples Energy customers. Slamming is a practice of switching providers without the customer's knowledge or by misleading them.

U.S. Energy, which has operations in Chicago, Oak Brook and Westmont, is one of eight alternative gas suppliers participating in "customer choice" programs offered by Nicor Gas, Peoples Gas and North Shore Gas.

Under the settlement, current U.S. Energy customers who also were customers between Sept. 25, 2005, and Sept. 25, 2006, will receive a letter in about a month. It will include a claim form that must be filled out and returned, said Kelter.

Once the claim is processed, customers will receive a refund that is the difference between what they would have paid had they remained with Nicor or Peoples.
