



Citizens Utility Board

309 W. Washington St., Suite 800, Chicago, IL 60606 **Phone** (312) 263-4282 **Toll Free** 800-669-5556 **Fax** (312) 263-4329

FOR IMMEDIATE RELEASE:

May 6, 2015

ICC STAFF, CUB NEGOTIATE REFUND FOR MAJOR ENERGY CUSTOMERS

The staff of the Illinois Commerce Commission (ICC) and the Citizens Utility Board (CUB) on Wednesday reached a settlement with an alternative electricity supplier, Major Energy, to refund current and former customers \$262,500, following allegations of misleading marketing.

“We thank the ICC for taking action to improve Illinois’ electricity market,” CUB Executive Director David Kolata said. “Alternative electricity suppliers need to know that the Illinois electric market has no place for underhanded marketing practices.”

The ICC opened a formal investigation of Major Energy in August 2014, after receiving more than 100 complaints about the New York-based company. The supplier has consistently earned one star on the ICC’s electric supplier complaint scorecard, signifying a relatively high complaint rate. ICC staff alleged that Major Energy violated the law by using marketing pitches that were incomplete, inaccurate and misleading. A 2014 CUB report exposing the worst deals in Illinois’ electric market found that Major Energy at times charged six times the regulated utility’s rate.

The settlement, approved by the ICC on Wednesday, requires that Major Energy refund \$262,500 to current and former customers who may have been misled during enrollment from 2012 to 2014. The settlement also stipulates that Major Energy overhaul its sales practices to clearly prohibit its representatives from giving the impression that they are with the regulated utility or that customers will save money on the plans. Finally, the company must translate its marketing material and pitches into Spanish to prevent Spanish-speaking consumers from being misled.

All residential and small-business customers enrolled from 2012 to 2014 are potentially eligible for a refund. Customers must contact Major within 12 months of receiving a notification letter and present a "reasonable claim" that they believe they were misled, uninformed or confused because of Major's actions during their enrollment. Refund amounts will be calculated on a case-by-case basis, depending on a number of factors, including a customer's enrollment circumstances, contract terms and the utility's price to compare at the time of enrollment.

Customers who believe they are eligible for a refund can contact Major Energy, at 1-888-625-6760.

CUB reminds Illinois consumers to be smart electric shoppers and beware of these pitfalls:

Exorbitant rates: Consumers should ask for details on the price, and how it compares to the regulated utility’s rate.

-more-

Low introductory rates that disappear: Introductory rates may shoot up after a short period. Always ask if the rate being offered is introductory, how long it lasts, and what happens to the rate after the initial period.

Extra Fees: Ask if there is a monthly fee, and factor that into the per kilowatt-hour (kWh) price.

Punishing Exit Fees: Some suppliers charge exit fees of more than \$100 if a customer leaves a plan before the contract is up. Under the law, customers are allowed to leave a contract without paying an exit fee within 10 days after the date of the first bill from a supplier.

High pressure sales tactics: Beware of people at your door who say they're from the "electric company." Don't give out your account number or power bill to just anybody who asks for it. That person may be trying to sign you up for an offer without your permission.

CUB is Illinois' leading nonprofit utility watchdog organization. It was created by the Illinois legislature 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.

###

www.CitizensUtilityBoard.org