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Statement Regarding Alternative Retail Electric and Gas Supplier Legislation

No one has worked harder than the Illinois Commerce Commission (ICC) to rein in questionable marketing practices by Alternative Retail Electric Suppliers (ARES). In response to numerous consumer complaints about telephone and door-to-door solicitations by ARES, as well as the lack of transparency of electric supply price and other contractual provisions, the ICC recently concluded a multi-year process to enact sweeping, pro-consumer rule changes to create stringent marketing and sales requirements for ARES, and give the Commission additional tools to better track and respond to non-compliant practices. After negotiation and compromise with industry and consumer advocates, the Illinois General Assembly's Joint Committee on Administrative Rules approved 65 out of the 70 proposed rule changes –93% of what was requested by the ICC. Far from being "watered down," the Commission's implementation of these rules is a major victory for consumers.

During the recently concluded Spring 2018 legislative session, the professional staff of the Illinois Commerce Commission provided input to stakeholders on numerous proposed bills, including several directed toward the ARES and Alternative Gas Supplier markets. Senate Bill 1531, as written, had numerous commendable consumer protections, but also would have expanded the scope of the Consumer Fraud Act, creating the potential to expose retail electric and gas suppliers to duplicative litigation for an alleged violation of any ICC rule—with the unfortunate effect of hampering Commission enforcement efforts.

This ICC has been the toughest of any commission on ARES since the enactment of electric customer choice in 1997, with 80 percent of all refunds by ARES having been mandated in the past three years. Last year alone, the ICC's Consumer Services Division assisted 1,805 customers regarding retail electric suppliers, of which 1,550 cases involved informal complaints against suppliers. Most of these cases were resolved without having to resort to litigation or the filing of a formal complaint by the consumer. The ICC's opposition to the Consumer Fraud Act provisions of Senate Bill 1531 was well known to legislators and other stakeholders in the negotiation of that proposed legislation, but these provisions

unfortunately remained in the final bill. The ICC supports renewed negotiation of the bill in the Fall and maintains its support for the majority of the bill, but without the expansion of the Consumer Fraud Act.

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About the Illinois Commerce Commission

The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses and repossession agencies. The Commission's Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities and equipment in the state.

To learn more about the Commission, its offices and bureaus, click <u>here</u>. If you are a consumer who needs help resolving a utility dispute call 800-524-0795 or file an online complaint <u>here</u>. For a complaint related to transportation, call 217-782-6448.

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