



# Citizen Utility Boards (CUBs)

The idea for a nationwide Financial Consumer Association (FCA) stems from existing state Citizen Utility Boards (CUBs), which focus on utility rate issues. CUBs are nonprofit, nonpartisan utility ratepayers organizations that provide consumers a voice in the regulatory proceedings for monopoly utilities. CUBs help ratepayers coordinate their efforts to control utility rates and establish regulatory policies that benefit consumers. CUBs both advocate for consumers and foster consumer involvement in regulatory and legislative proceedings. They empower utility ratepayers through increased knowledge of and participation in utility issues. This combination of empowerment and advocacy has proven key for effective representation of consumer interests.

CUBs currently exist in four states (WI, IL, OR and CA) and have enjoyed a large degree of success.

## Examples of Major CUB Accomplishments:

### Illinois CUB

- The Illinois CUB, with over 100,000 members, has saved consumers \$10 billion over the past 25 years.
- The IL CUB's first major victory was the revision of the state's Public Utilities Act in 1985. The Act now requires energy utilities to use the least expensive power available and to conduct management audits as well as audits on utility construction projects.
- In 2006, the IL CUB uncovered evidence that Peoples Energy used an illegal profit-sharing deal with Enron Corp. to overcharge customers in the winter of 2000-2001. The company agreed to a historic \$196 million refund package for Peoples Gas and North Shore Gas customers.

### Wisconsin CUB

- The Wisconsin CUB fights aggressively to protect Wisconsin utility ratepayers from unnecessary rate hikes. The WI CUB saved ratepayers over \$200 million in 2008 alone.
- In 2007, WE Energies applied for permission from the Public Service Commission (PSC) to increase electric rates for 2008 by \$712 million or 28 percent, the largest single-year increase in the utility's history. After Wisconsin CUB argued against these increases, the WI Public Service Commission allowed an increase of only 6.9 percent over the following two years; a savings for WE Energies' ratepayers of \$106 million.
- Also in 2007, the WI CUB worked to prevent the Legislature from passing legislation that would have deregulated local telephone service, allowing local telephone companies to charge customers using basic telephone service any price the companies wanted. CUB continues to make the case that consumers still need to be protected from price gouging and poor service from telephone companies.

### Oregon CUB

- Since 1984, the Oregon CUB has saved Oregon utility ratepayers more than \$3.9 billion.
- In 1986, the OR CUB, along with OSPIRG, lobbied the Legislature for two additional members to be appointed to the existing one-member Public Utilities Commission. The Legislature sent the issue to the voters in a referendum. Voters strongly approved the measure.
- In 2007, the Oregon CUB defeated in the Legislature, the attempt by big telecommunications companies like Qwest to deregulate Oregon residential phone service, saving customers \$46.2 million in just 2 years.

### San Diego Utility Consumers' Action Network (UCAN)

- In 2004, UCAN brought a class action lawsuit against Discover Credit Card that compelled the card company to suspend its "Universal Default" policy where if a person is late on a payment to one creditor, such as a phone company, Discover will raise the interest rate on that person's credit card to the maximum specified in the contract.
- In 2005, the California Public Utilities Commission rejected San Diego Gas & Electric's (SDG&E) demand for a \$500 million rate hike and instead ordered them to reduce their rates based on UCAN's exhaustive 2004 audit of SDG&E's proposal.
- In 2006, UCAN filed a lawsuit alleging that the City of San Diego had overcharged residential sewer customers. The case sparked two investigations and resulted in \$40 million in refunds to be given to sewer customers over the next four years.