

**Distribution Charge** - Charges for the use of local wires, transformers, substations, and other equipment used to deliver electricity to end-use consumers from the high voltage transmission lines.

**Customer Charge** - A monthly basic distribution charge to cover costs for billing, meter reading, equipment, maintenance, and advanced metering when in use.

**State Tax Adjustment Surcharge** - A charge, or a credit, or electric rates to reflect changes in various state taxes included in your bill. The surcharge may vary by bill component.

**Transmission Charge** - Charges for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company. Based on federally regulated charges.

**Transition Charge** - A charge on every residential customers's bill designed to recover an electric utility's transition or stranded costs as determined by the PUC.

#### Generation Charge - Charges for the production electricity.

**KWH** - (Kilowatt-hour) - The basic unit of electric energy for which most customers are charged. The amount of electricity used by ten 100-watt lights left on for 1 hour. Customers are usually charged for electricity in cents per kilowatt-hour.

#### Choosing a competitive supplier for your electric generation

Electric customers in Pennsylvania were among the very first in the United States to have the ability to choose the company that supplies their electricity. You may be able to choose your electric generation supplier (EGS) in areas where competitive electricity supplies are being offered. Consumers may be able to secure supply rates below the prices offered by their utility. Generation supply costs comprise the majority of the average electric bill. Consumers are encouraged to proactively engage competitive suppliers – whose price is unregulated by the Pennsylvania Public Utility Commission (PUC) – to obtain pricing information for the generation portion of their bill. Competitive offers may not be available in all areas.

#### Why should I shop for electricity?

Just like you would shop for any household item, you can shop for your electricity to find the best deal and the best service for you needs. Remember, saving just one cent per kWh could translate into more than \$100 a year in savings, depending on usage. Competitive offers may not be available in all areas. Log onto www.PAPowerSwitch.com to learn about suppliers in your area.

# I participated in a pre-pay program with my utility, but would like to choose another supplier. What happens to my money?

The money that you deposited in a pre-pay plan and any interest will be applied to your account, no matter who supplies your electricity. PECO offers 6% interest on pre-pay amounts.

#### Will I still be able to take advantage of "budget billing"?

Yes – Be sure to tell the competive supplier that you want budget billing, which allows you to pay a "fixed amount" each month, providing certainty in your bills. Budget billing averages bills out over 12 months, but does not guarantee an annual fixed rate as budget bills are subject to quarterly adjustments based on usage.

#### What is the "price to compare"?

The price to compare (PTC) is the price per kilowatt hour (kWh) your electric distribution company will charge. When asked, the competitive supplier also will provide you with a PTC, allowing you to make an apples-to-apples comparison on price for the generation portion of your bill. Be sure to ask how long the price is effective and verify if taxes or other fees are included in the PTC. The PTC includes the GRT and may include the STAS.

#### What is the Gross Receipts Tax and how is it factored into the Price to Compare?

The Gross Receipts Tax (GRT) is a Pennsylvania state tax imposed on the gross receipts from sales of electric energy within Pennsylvania and is included in the PTC. The Gross Receipts Tax is paid by both the electric distribution company (EDC) and the EGS on the basis of the company's or the supplier's gross receipts from the sale of generation supply within Pennsylvania. EDCs and EGSs include the GRT as part of the cost of electric generation supply.

#### Is the Gross Receipts Tax part of the State Tax Adjustment Surcharge (STAS)?

The GRT is usually partially collected in the STAS and partially in the base rates, but it may depend on the timing of any tax changes and rate cases.

### My utility company has always been a good company. Why should I switch now?

Service)

PECO does not care if you choose a competitive supplier and is encouraging its customers to shop around. PECO will continue to deliver your electricity, provide reliable service and respond to outage problems. The quality, reliability, and maintenance of your electric service should not change as it is still monitored by the Commission. You may be able to save money with a competitive supplier or you can stay with PECO. It's your choice.

## For further information, contact the Public Utility Commission:

Write Call Visit our websites

PA Public Utility 1-800-692-7380 www.puc.pa.gov

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