



# CUBFacts<sup>Electric</sup>

## Making Sense of Your Electric Bill

Power bills generally used to be divided by an energy charge and a customer charge only. Both charges were regulated by the Illinois Commerce Commission (ICC). All that changed when ComEd and Ameren launched their “reverse-auction” power-pricing system in 2007. Then, costs that used to be rolled into those two charges became separate line items on bills.

After the auction sparked skyrocketing bills, Illinois officials abolished that power-pricing system. In its place it set up the state-run Illinois Power Agency (IPA.) The IPA is now buying power for Ameren and ComEd. It’s first power-buy this past spring has led to a lower electric (or energy) supply charge for Ameren and ComEd customers as of June 1. There also are slight decreases in Ameren’s “supply cost adjustment” charge and ComEd’s “transmission services” charge.

Parts of your bill still are fully regulated, meaning utilities have to go before the ICC and get approval to increase them. These are the “delivery” charges, which cover the costs of getting electricity to your home. However, the cost

of the actual power that ComEd and Ameren buy is left up to the market. The lone exception among Illinois’ major electric utilities is MidAmerican, which continues to be completely regulated under the old system.

Electricity usage is billed by the kilowatt-hour (kWh)—roughly enough power to run a typical hair dryer for an hour or to cook a pot of rice in that time. A customer’s previous and current meter readings are listed on the bill, along with the dates those two readings were taken. The difference between the two readings is the electricity usage for the current billing period (typically a month).

A utility company should go to a customer’s home and read the electric meter at least once every other month. If it doesn’t read your meter in a given month, your bill will be estimated, and “E,” “EST,” or “ESTIMATED” will appear on it. That means your usage for that month was based on last year’s usage for the same month, adjusted for weather.

Check your bill to make sure that the company is reading your meter, and if it isn’t, call the utility and find out why not. Request an actual reading.

### Glossary of Charges

You may see some or all of these charges on your bill.

#### Delivery Charges (about 1/3 of bill):

**Customer charge (basic service charge).** This flat fee covers some of the fixed costs of doing business, such as billing, postage, building rent, and other administrative costs. The ICC must approve this charge.

**Distribution delivery charge (distribution facilities charge).** This per-kilowatt-hour charge, set by the ICC, covers the costs of delivering power from the utility to your home and maintaining the equipment and wires that carry the electricity. This charge also covers any fixed costs not recovered through the customer charge.

**Meter charge (standard metering charge).** This charge, set by the ICC, covers the costs of meter reading and other services such as installing, exchanging, maintaining, and testing of meter equipment. **AmerenIP charges \$4.73 a month, AmerenCILCO \$3.54 a month, Ameren CIPS \$4.02 a month, and ComEd \$2.24 a month.**

#### Supply Charges (about 2/3 of bill):

**Energy charge (a.k.a. electricity supply charge, purchased electricity).** This per-kWh rate is what has gone down as of June 1. The charge, which takes up about two-thirds of your bill, is for the actual power you use. The rate is multiplied by how many kilowatt-hours you

use. ComEd and Ameren are supposed to pass these energy costs on to customers with no markup. However, this charge will be slightly higher than the actual market price the company secured because it is adjusted to include some other costs, such as “line loss.” That’s when power that travels over the lines is lost as it gives off heat. (**Note:** MidAmerican Energy has chosen not to restructure its electricity-buying system. Its energy charge is set by the ICC.)

**Market value adjustment (purchased electricity adjustment).** Your utility is supposed to pass the price of electricity it pays on to customers with no markup. This adjustment, a credit or a debit, attempts to “true-up” any discrepancy (over or under) from month to month between what Ameren or ComEd paid for electricity and what you paid with the electric supply charge.

**Supply cost adjustment.** This small charge covers other administrative costs associated with procuring electricity. **AmerenCILCO, .125 cents per kWh; AmerenCIPS, .126 cents per kWh; and AmerenIP, .120 cents per kWh. ComEd does not have a separate line item for this charge, but rolls it into the energy charge.**

**Transmission service(s) charge.** This charge is similar to the distribution charge, which covers the delivery of power from

your utility to your home. However, this charge covers the cost of carrying electricity from the major power generator to your utility. If your utility wants to increase this charge, it has to get approval from the Federal Energy Regulatory Commission (FERC). ComEd's charge is fixed at .602 cents per kWh (lowered on June 1 from .829 cents per kWh). Ameren's transmission charge is a fixed formula that leads to a different charge each month.

### Other Charges:

**State tax (Illinois state electricity excise tax).** This tax, a third-of-a-cent per kilowatt-hour, is levied by the state.

**Municipal tax.** Municipalities are allowed to impose their own utility taxes, but the amount they can collect is capped by state law. The utility collects the money and forwards it to the municipality. This tax also is called the local government compliance charge.

**Environmental cost recovery.** This charge reflects a company's costs for cleaning up pollution at former gas-manufacturing sites. It's also called the environmental factor EPA charge and the electric environmental adjustment clause.

**Franchise cost.** Some towns or cities require the utility to provide a fee or other benefits to the municipality in exchange for the right to provide electric service to them. The utilities recover the costs on the electric bills from the customers in those communities.

**Instrument funding.** A charge issued by AmerenIP Power and ComEd to pay off bonds authorized in the 1997 deregulation bill. For legal reasons, the charge and a credit of equal amount are included on each bill, so that the net effect of what customers owe is zero.

## What Your Electric Utility Charges:

Company	Monthly Customer Charge*	Energy Charge Non-Summer	Energy Charge Summer	Distribution Charge
<b>AmerenIP</b> 1-800-755-5000  <b>Note:</b> The space heat rates are NOT applicable to new customers.	\$8.15	Space heat: 6.874¢/kWh for first 800 kWh, then .885¢/kWh  Non-space heat: 6.874¢/kWh for first 800 kWh, then 4.856¢/kWh	5.516¢/kWh	Summer: 3.951¢/kWh through Oct. 1, 2009, 4.185¢/kWh after  Non-summer: 2.464¢/kWh through Oct. 1, 2009, 2.610¢/kWh after
<b>AmerenCILCO</b> 1-888-672-5252	\$6.23	7.480¢/kWh for first 800 kWh, then 2.334¢/kWh	5.525¢/kWh	Summer: 3.268¢/kWh  Non-summer: 2.128¢/kWh
<b>AmerenCIPS</b> 1-888-789-2477  <b>Note:</b> The space heat rates are NOT applicable to new customers.	\$7.02	Space heat: 7.484¢/kWh for first 800 kWh, then 2.367¢/kWh  Non-space heat: 7.484¢/kWh for first 800 kWh, then 5.104¢/kWh	5.554¢/kWh	Summer: 2.934¢/kWh  Non-summer: 1.652¢/kWh

\*The customer charge listed includes a 48-cent fee for a state fund to subsidize heating costs for low-income consumers and a nickel fee for a state fund dedicated to the development of renewable energy and "clean-coal technology." It also includes a fee (Ameren, 5 cents; ComEd, 14 cents) to recover the costs of real-time pricing programs, which allow homes to pay an hourly rate for power.

## What Your Electric Utility Charges (Continued):

Company	Monthly Customer Charge*	Energy Charge Non-Summer	Energy Charge Summer	Distribution Charge
<b>AmerenCIPS-Metro East</b> 1-888-789-2477  <b>Note:</b> These are former AmerenUE customers.	\$7.02	7.386¢/kWh for first 800 kWh, then .992¢/kWh	5.554¢/kWh	Summer: 2.934¢/kWh  Non-summer: 1.652¢/kWh
<b>ComEd</b> 1-800-334-7661	\$8.31 for single-family homes and buildings with two units  \$7.32 for buildings with three or more units	Space heat: 3.978¢/kWh  Non-space heat: 6.435¢/kWh	Space heat: 5.240¢/kWh  Non-space heat: 6.589¢/kWh	Space heat: 2.023¢/kWh  Non-space heat: 2.407¢/kWh
<b>MidAmerican Energy</b> 1-888-427-5632	\$5.65	7.238¢/kWh for first 800 kWh  3.798¢/kWh for usage over 800 kWh	9.058¢/kWh for all usage	Not Applicable
		Small-use rate: For a customer whose combined average daily usage during the two highest billing periods from June through September does not exceed 15 kWh.  6.068¢/kWh	7.848¢/kWh	

\*The customer charge listed includes a 40-cent fee for a state fund to subsidize heating costs for low-income consumers and a nickel fee for a state fund dedicated to the development of renewable energy and “clean-coal technology.” It also includes a fee (Ameren, 5 cents; ComEd, 14 cents) to recover the costs of real-time pricing programs, which allow homes to pay an hourly rate for power.