

WATT'S UP?



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Dear ComEd RRTP participant,

Hello again. There has been a lot of work done behind the scenes in order to bring you this month's Watt's Up newsletter. We are fast at work adding several new FAQs to theWattSpot.com, and I want to take this opportunity to share them with you.

There is a lot of new information in this month's newsletter, so grab a cup of your favorite coffee or tea and get ready to raise your RRTP IQ!

What are the charges that appear on my RRTP customer bill?

ComEd separates customer charges into two general categories: supply and delivery service charges.

- **Supply Charges** are all of the charges related to the amount of electricity used in your home each month. RRTP customers receive an hourly energy supply charge based on market rates, which do not include capacity charges. In contrast, the supply charges for flat-rate customers include capacity charges. That is why capacity charges are collected as a separate line item on the RRTP participants' bill. This is not an additional charge.
- **Delivery Service Charges** include all of the costs required to deliver electricity to ComEd's customers. These costs include a distribution facilities charge, a monthly customer charge (which covers the costs for a service connection, billing, and customer service), a standard metering charge (\$2.21) to cover the costs of standard metering services, and a transmission services charge to cover the costs of building, operating, and maintaining ComEd's transmission system. All of these charges are the same for both RRTP and other residential customers.

How does the 2007 bill differ from the 2006 bill?

Beginning in January 2007, ComEd's billing statements for **all residential customers** began listing each individual component of electric supply and service, items that previously were bundled together into one charge.

By separating these charges into individual line items, customers can now see what they are paying for each part of their electric service. For example, today's bill displays separate charges for energy supply (the cost of the electricity) and energy delivery (the process of moving electricity from where it's produced to the customer's home or business).

Most bill line items are the same for all residential ComEd customers, and many of these line items are charged at the same rate regardless of whether you are on the RRTP rate or the standard rate. The main differences relate to the way the Energy Supply Charges are calculated. RRTP customers will see an additional Meter Lease line item.

What are the differences between a RRTP customer's bill and a non-RRTP customer's bill?

1. Rate RDS Delivery Service Charges

These charges are the same for both RRTP customers and other residential customers.

2. Energy Supply Charges

Both RRTP and other residential customer's bills include Energy Supply Charges, but these charges are calculated differently depending on your rate.

- **Energy Supply Charge**

The Energy Supply Charge for the standard rate was set through the Illinois Auction held in September 2006. For other residential customers, a single Energy Supply Charge line item includes the Capacity Charge and portions of the Transmission Services Charge.

The Energy Supply Charge for RRTP customers is based on hourly electricity prices set in the regional electricity market. It does not include the Capacity Charge or the Transmission Services Charge. Instead, these charges are broken out into separate line items on the bill.

- **Capacity Charge**

For other residential customers, this charge is included in the Energy Supply Charge that was set through the Illinois Auction.

On RRTP bills, the Capacity Charge appears as a separate line item. Like the Energy Supply Charge, the Capacity Charge for RRTP customers is set through the regional electricity market.

- **Transmission Services Charge and Purchased Electricity Adjustment**

These line items appear on both RRTP and other residential customers.

However, they are calculated differently for RRTP customers.

3. Taxes and Other Charges

All residential customers pay the same rates for taxes, the Environmental Cost Recovery Adjustment, and the Instrument Funding Charges. RRTP customers will also see a monthly Meter Lease charge of \$2.25. This charge covers a portion of the additional costs of providing the special meter used to record your hourly electricity usage.

What is the "Capacity Supply Charge"?

The Capacity Supply Charge covers ComEd's costs to ensure that its can obtain enough electricity to meet demand at all times, including peak hours. Capacity Supply Charges essentially allow ComEd to reserve generating capacity in advance, ensuring that enough electricity will be available.

For other residential customers, these costs are included in the Energy Supply Charge that was set through the Illinois Auction. For RRTP customers, the Electricity Supply Charge does not include the Capacity Supply Charge. ComEd reserves capacity for RRTP customers through the regional electricity market and lists this charge as a separate line item on RRTP bills.

How is my Capacity Supply Charge calculated?

RRTP customers and other residential customers may pay different capacity supply charges, based on how much electricity customers use during the highest customer demand times periods.

The current capacity supply charge is based on RRTP customer's highest electricity demand reached during the summer of 2006. This means that the exact method of calculation of your Capacity Supply Charge depends on when your RRTP meter was first installed.

If you were enrolled in the pilot Energy-Smart Pricing Plan and had an RRTP meter in place during the summer of 2006, your Capacity Supply Charge is based on your individual electricity usage data for that summer.

First, ComEd calculates your highest electricity demand for the five hours of the summer when the overall system demand was highest. These numbers are then averaged and adjusted to determine your contribution to the system load, or your Capacity Obligation. Your Capacity Obligation is then used to set your Capacity Supply Charge.

If you did not have an RRTP meter in place during the summer of 2006, your Capacity Obligation is estimated based on averages for your customer class. (ComEd's four residential customer classes are: Single Family Non-Electric Space Heating, Single Family Electric Space Heating, Multi-Family Electric Non-Space Heating, Multi-Family Electric Space Heating.) In future years, your Capacity Obligation will be based on your individual energy use during the previous summer.

What is the "Customer Charge"?

The Customer Charge is the charge to cover the standard service connection, customer service and billing costs. The customer charge is the same for both RRTP customers and non-RRTP customers on the standard rate. The Customer Charge also includes charges that provide state funds for renewable energy resources, coal technology development, and low-income energy assistance. Finally, the Customer Charge includes the RRTP program cost recovery charge, which again is paid by all customers.

What is the "Supply Administrative Charge" (SAC)?

ComEd's supply administrative charge is how ComEd recovers administrative costs for purchasing electricity for our customers. Each customer supply group is assigned a unique monthly Supply Administrative Charge based upon the total kilowatt-hours that each group used. This charge is the same for RRTP and non-RRTP customers.

Why do I pay a different Transmission Services Charge under the RRTP program?

The Transmission Service Charge (TSC) covers the costs of transmitting the electricity that customers use. This charge is based on the number of kilowatt-hours used during the billing period, and it is calculated differently for RRTP customers.

For residential customers on the standard rate, some portions of the transmission charges are included in the Energy Supply Charge that was set through the Illinois Auction. The portion of these costs that is not included in the Energy Supply Charge appears under the Transmission Service Charge line item on standard rate bills.

ComEd procures the electricity supply for RRTP customers through the regional PJM electricity market. This means that both the Energy Supply Charge and the Transmission Services Charge for RRTP customers are set through the market. While the standard rate bill blends some transmission services charges into the Energy Supply Charge, your RRTP bill shows all costs associated with transmission services under a single line item.

Why does the Purchased Electricity Adjustment vary from month to month?

ComEd does not profit from energy supply charges, but simply passes through the cost of supplying electricity to its customers. The Purchased Electricity Adjustment balances supply charges so that they match ComEd's supply costs. This balance is reviewed monthly and the charge is adjusted accordingly. ComEd's costs associated with supplying RRTP customers may differ from the costs of supplying customers on the standard rate. As result, the Purchased Electricity Adjustment may also be different.

The Purchased Electricity Adjustment can be a debit or credit on a standard residential customer bill or the RRTP customer bill. It reflects the difference, if any, between the actual amount of money collected from ComEd's customers for electricity supplied and the cost incurred for supplying that electricity.

How do we know that ComEd isn't making any money on supply-related processes?

The Illinois Commerce Commission (ICC) requires ComEd to procure electricity on behalf of its residential customers and pass those electric supply costs through to its customers without any markup. The ICC regulates this bill line item and is responsible to ensure ComEd earns nothing on the supply procurement process.

Why do I still have to pay ComEd's Standard Metering Charge (\$2.21)?

RRTP participants are subject to ComEd's standard metering charge (\$2.21) and the RRTP metering charge (\$2.25). The charges relate to different costs and expenses that ComEd incurs on the customer's behalf to meter customers' electric use.

Customers are not being billed twice for the same service. RRTP meter charges are in addition to the costs included in the standard metering fees. These RRTP meter fees are treated separately and differently from standard metering costs because ComEd incurs them exclusively for RRTP participants.

Under ComEd's current Meter-Related Facilities Lease fees, the meter for RRTP would normally cost an additional \$5 per month. The RRTP program provides the meter to the first 110,000 participants at the reduced fee of \$2.25 per month. The balance of the meter and the additional program services program service costs are paid by all ComEd residential customers under a \$0.14 per month charge from Rider RCA. This charge is included in the Customer Charge line item. This charge applies to all customers, not just RRTP participants, because RRTP benefits to all customers.

I know this is a lot of detailed billing information to digest, but please understand that I am here to help educate everyone about the ComEd RRTP program in detail. I will continue to listen to your concerns and I look forward to your comments!

Sincerely,

Katie Papadimitriou