Retail Electric Billing

Customers are billed for each of the three separate functions—generation, transmission and distribution—although most customers receive just one consolidated electric bill. The Maryland Public Service Commission (PSC) sets distribution rates through rate case proceedings. Generation rates are based on either standard offer service (SOS) rates or a customer's contracted rate with a competitive supplier. Transmission rates are set by the Federal Energy Regulatory Commission (FERC) and administered by PJM Interconnection, LLC (PJM). The local distribution utility is still responsible for directly billing customers with competitive generation and transmission components as direct pass-through components.

Also included in rates are several components referred to as "riders," which are used to recover costs for specific purposes or initiatives, such as energy efficiency costs under EmPOWER Maryland. These riders do not always appear on bills as separate line items and are sometimes rolled into the electric rate or charges. Riders are used to account for costs that are typically variable and can be adjusted periodically (usually quarterly, semiannually or annually) through proceedings that are less intensive than a full rate case. Figure 1 shows a sample residential Baltimore Gas and Electric (BGE) bill with some details on billing components.

Figure 1 BGE Bill Detail Example

Residential - Schedule R Billing Period: Apr 23, 2021 - May 24, 2021 Next Scheduled Reading: June 22, 2021			Days Billed: 31	
Read on M	May 24			
Current Reading - 40643	Previous Reading 40347	=	296 kWh used	
ELECTRIC SUPPLY BGE	296 kWh	x	.07053	\$20.88 20.88
BGE ELECTRIC DELIVERY Customer Charge	(\$21.40 8.00
EmPower MD Chg Distribution Chg	296 kWh 296 kWh		.00594 .03934	1.76 11.64
TAXES & FEES MD Universal Svc Prog				\$0.54 0.32
Envir Srchg Franchise Tax	296 kWh 296 kWh	×	.000129 .00062	0.04 0.18
TOTAL				\$42.82

The BGE customer profiled in Figure 1 is on Rate Schedule R, the standard residential service schedule. In this particular month, the customer used 296 kWh of energy and was charged a total of \$42.82. The BGE electric supply rate during this billing period was an average of \$0.07053/kWh. The electric supply rate consists of the SOS energy and capacity charges, a PJM transmission charge and applicable taxes. The largest component of the delivery service charges is BGE's distribution charge (shown as \$11.64 on this sample bill), as approved by the PSC. Delivery charges also include the fixed monthly charge and riders that compensate BGE for the cost of EmPOWER Maryland programs. Other elements in the bill include a universal surcharge,

as well as the environmental surcharge. Both of these surcharges are designed to support certain state programs, such as the Power Plant Research Program (PPRP).

The electric generation component makes up about \$20.88 of this customer's entire bill, or 49 percent. Distribution charges comprise about 27 percent, while transmission charges only amount to about 1 percent of the total charges. The rest of the charges consist of the customer charge, riders, surcharges and taxes (about 24 percent). As noted earlier, the utilities contract for energy supply in the wholesale market and, therefore, the electric generation price of \$0.07053/kWh is reflective of the price of energy in the PJM wholesale energy markets at the time the contracts were signed and includes various mark-ups for the companies that provide the firm energy contracts for two years. For customers who signed with competitive suppliers, the electric supply component would be the energy charge from their supplier, which is collected by BGE and then passed through to the competitive supplier.

Figure 2 profiles a residential Potomac Electric Power Company (Pepco) customer with a slightly higher consumption than that of the aforementioned BGE customer. Pepco's bill is structured differently than BGE's. Note that the Pepco bill example shows how PJM transmission charges and taxes are rolled into the total electricity supply charge.

Details of your Electric Charges

Residential Service - service number Electricity you used this period

Meter Number Energy Type Use (kWh) End Start

Date Date

Oct 19 Sep 21

Reading Reading

111567 110635

Number Of Days 29 Multiplier Total Use 932

Delivery Charges: These charges reflect the cost of bringing electricity to you. Current charges for 29 days, summer rates in effect.

Type of charge	How we calculate this charge	Amount(\$)
Distribution Services:		
Customer Charge		8.01
Energy Charge	932 kWh X \$0.0699520 per kWh	65.19
Pepco MRP Rate Offset		3.33-
Franchise Tax (Delivery)	932 kWh X \$0.0006200 per kWh	0.58
Universal Service Charge		0.32
Energy Wise Rewards Monthly Credit MD Environmental		8.00-
Surcharge	932 kWh X \$0.0001470 per kWh	0.14
Empower MD Chg	932 kWh X \$0.0063180 per kWh	5.89
Gross Receipts Tax Montgomery County	at 2.0408%	1.56
Energy Tax	932 kWh X \$0.0113114 per kWh	10.54
Administrative Credit	932 kWh X \$0.0002912- per kWh	0.27-
Total Electric Delivery C	80.63	

Supply Charges: These charges reflect the cost of producing electricity for you. You can compare this part of your bill to offers from competitive suppliers. Your Price to Compare is 7.72 cents (\$0.0772) per kWh. When shopping for electric suppliers, compare this price to those proposed by other suppliers. This price reflects the average annual amount a customer on this rate pays per klowatt-hour for Electric Supply. For information on electric energy suppliers please visit mdelectricchoice.com.

Billing Period: Sep 21, 2021 to Oct 19, 2021 (29 days)

Type of charge	How we calculate this charge	Amount(S)
Transmission Services:		
Energy Charge	932 kWh X \$0.0114500 per kWh	10.67
Gross Receipts Tax	at 2.0408%	0.22
Generation Services:		
Energy Charge Procurement Cost	932 kWh X \$0.0660944 per kWh	61.60
Adjustment	932 kWh X \$0.0034852- per kWh	3.25-
Total Electric Supply Charges		69.24
Total Electric Charge	140 87	

Your daily electricity use for this bill period. Visit My Account at pepco.com to see your hourly electricity use.

