

Citizens Utility Board

Fighting For Illinois Consumers Since 1984

Making Sense of Your Electric Bill

Your electric bill is generally divided into three categories: delivery charges, supply charges, and taxes.

Traditionally, delivery charges, which cover the costs of getting electricity to your home, have been set by the Illinois Commerce Commission (ICC) after 11-month rate-hike cases. However, Ameren and ComEd now set their rates through a legislatively approved formula that is subject to ICC monitoring.

The cost of the actual power (the supply charge) that ComEd and Ameren send to their customers is left up to the market. The lone exception among Illinois' major electric utilities is MidAmerican. That company's supply and delivery charges are fully regulated.

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

A utility company should read a customer's meter at least once every other month. If it doesn't read your meter, your monthly 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.

If the company doesn't read your meter for two consecutive months, call the utility and find out why. Request an actual reading, or call CUB, at 1-800-669-5556, to learn how to read your own meter.

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 the administrative costs of doing business, such as billing, postage, and building rent costs.

Distribution delivery charge (distribution facilities charge)

This per-kWh charge covers the costs of delivering power to your home and maintaining the equipment and wires that carry the electricity. This charge also covers fixed costs not recovered through the customer charge.

Meter charge (standard metering charge)

This charge covers the costs of meter reading and other services such as installing, maintaining, and testing meter equipment. Ameren's monthly charge is \$4.40 and ComEd's is \$2.92.

Illinois Electricity Distribution Tax charge

ComEd uses this charge to recover the Illinois Electricity Distribution Tax.

Supply Charges (about 2/3 of bill)

Energy charge (a.k.a. electricity supply charge, purchased electricity)

This per-kWh rate is for the actual power you use. The rate is multiplied by how many kWh you use. ComEd and Ameren are supposed to pass these energy costs on to customers with no markup. However, this charge may be slightly higher than the actual market price because it is adjusted for other costs, such as "line loss." That's when power travelling over the lines is lost as it gives off heat. (**Note:** MidAmerican Energy's charge is set by the ICC.)

Market value adjustment (purchased electricity adjustment)

Your utility is supposed to pass the price of electricity on to customers with no markup. This monthly adjustment, a credit or a debit, attempts to "true-up" any discrepancy (over or under) between what Ameren or ComEd paid for electricity and what you paid for the energy charge.

Supply cost adjustment

This covers other administrative costs connected to procuring power. ComEd does not have a separate line item for this charge, but rolls it into the energy charge.

Ameren Zone 1 (CIPS)

.124 cents per kWh

Ameren Zone 2 (CILCO)

.075 cents per kWh

Ameren Zone 3 (IP)

.112 cents per kWh

Transmission service(s) charge

This is similar to the distribution charge, which covers the delivery of power from the utility to your home. However, this charge covers delivery from the 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 .811 cents per kWh. Ameren's charge, based on a formula, changes monthly.

Other Charges

State tax (Illinois state electricity excise tax)

This state tax is a third-of-a-cent per kWh.

Municipal tax

State law caps the amount of utility taxes that cities can impose. The utility collects the money through a rate that's less than a penny per kWh, and forwards it to the municipality. It's also called the "local government compliance charge."

Environmental cost recovery

This charge covers clean-up costs at former gas-manufacturing sites. It's also called the "environmental factor EPA charge" and the "electric environmental adjustment clause."

Franchise cost

Some cities require a utility to pay a fee or provide other benefits in exchange for the right to deliver electricity to them. Utilities recover those costs from the customers in those communities.

Smart meter program

This is a monthly charge that supported a ComEd pilot program in select communities to test whether the consumer benefits of "smart grid" improvements to the electricity system outweigh the costs. The charge was designed to cost no more than \$5 per customer for the entire year. A state appellate court ruling in October 2010 struck down the charge. The decision impacts cases going forward. ComEd was allowed to cover lingering costs for the smart-grid pilot program before discontinuing the charge.

Energy Efficiency Programs

Under the Public Utilities Act, ComEd and Ameren can recover the costs of energy-efficiency and "demand-response" programs designed to help consumers save money. This per kWh charge covers programs such as air-conditioner cycling, appliance recycling, and Real-Time Pricing. Learn more about these incentives at

CUBLiveWire.org.

What Your Electric Utility Charges (through May 2013)

Ameren Zone 1 (CIPS) (1-888-789-2477)

Note: The space heat rates are NOT applicable to new customers.

Monthly Customer Charge*:

\$11.46

Energy Charge Non-summer:

Space heat:

4.901¢/kWh for first 800 kWh, then 4.288¢/kWh

Non-space heat:

4.901¢/kWh (2.772¢/kWh for Metro East customers above 800 kWh)

Energy Charge Summer:

5.614¢/kWh

Distribution Charge:

Summer:

2.726¢/kWh

Non-summer:

1.448¢/kWh for the first 800 kWh, .554¢/kWh after

Ameren Zone 2 (CILCO) (1-888-672-5252)

Monthly Customer Charge*:

\$11.46

Energy Charge Non-summer:

4.901¢/kWh for first 800 kWh, then 4.716¢/kWh

Energy Charge Summer:

5.614¢/kWh

Distribution Charge:

Summer:

2.746¢/kWh

Non-summer:

1.732¢/kWh for the first 800 kWh, .757¢/kWh after

Ameren Zone 3 (IP) (1-800-755-5000)

Note: The space heat rates are NOT applicable to new customers.

Monthly Customer Charge*:

\$11.46

Energy Charge Non-summer:

Space heat:

4.901¢/kWh for first 800 kWh, then 2.634¢/kWh

Non-space heat:

4.901¢/kWh

Energy Charge Summer:

5.614¢/kWh

Distribution Charge:

Summer:

3.453¢/kWh

Non-summer:

2.093¢/kWh for the first 800 kWh, 1.463¢/kWh after

ComEd (1-800-334-7661)

Monthly Customer Charge*:

\$13.04 for single-family homes and buildings with two units (\$15.88 for space heat customers)

\$6.85 for buildings with three or more units (\$7.48 for space heat customers)

(Real-Time Pricing customers pay an additional \$0.39—rolled into the customer charge—to cover program costs.)

Energy Charge Non-summer:

Space heat:

5.462¢/kWh

Non-space heat:
7.491¢/kWh

Energy Charge Summer:

Space heat:
5.789¢/kWh

Non-space heat:
6.080¢/kWh

Distribution Charge:

Space heat:
1.011¢/kWh for single-family, 1.163¢/kWh for multi-family

Non-space heat:
1.979¢/kWh for single-family,
2.566¢/kWh for multi-family

MidAmerican Energy (1-888-427-5632)

Monthly Customer Charge*:

\$5.12

Energy Charge Non-summer:

7.02¢/kWh for first 800 kWh
3.58¢/kWh for usage over 800 kWh

Energy Charge Summer:

8.84¢/kWh for all usage

Small-use Energy Charge:

For a customer whose combined average daily usage during the two highest billing periods from June through September does not exceed 15 kWh.

Non-summer: 5.85¢/kWh
Summer: 7.63¢/kWh

Distribution Charge:

Not Applicable

*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 nickel fee to recover the costs of real-time pricing programs (ComEd customers only), which allow homes to pay an hourly rate for power, a fee to cover utility billing costs associated with alternative retail energy suppliers, and an uncollectibles charge.