

PCL&P Energy Shopper's Guide

As a customer of Pike County Light & Power Co. (PCL&P), you have the right to choose your own Electric Generation Supplier (EGS).

Choosing an EGS is an opportunity to manage your energy bills. With some comparative shopping, you can choose a supplier that offers you the best value. We know it sounds odd for a utility company to help its customers look elsewhere to buy electric supply, but the fact is, our primary business is to deliver energy to our customers. PCL&P is regulated by the Pennsylvania Public Utility Commission (PAPUC). As a regulated electric delivery company, PCL&P doesn't make a profit on the sale of the actual electric supply. EGS's are independent, non-regulated businesses that specifically sell electric supply. Their purchasing and pricing activities may (or may not) enable them to offer you more competitive options. If your objective is price stability, consider fixed prices.

You may have already enrolled with an EGS, or you may receive your electric supply from PCL&P. No matter what your situation is, it makes sense to shop around periodically, just like you would for insurance rates, or telephone services. This pamphlet provides information to make your shopping experience more effective.

If, for any reason, an EGS can't provide you with electric supply, your service will not be interrupted. PCL&P will always be your backup supplier. PCL&P will continue to read your meter, provide customer service, and respond to emergencies in case of a power outage, as well as perform routine maintenance on our delivery system.



Options regarding your current supplier

Understanding your options will help you decide if switching suppliers is right for you. You can shop for possible savings among competing electric suppliers and switch to an EGS at any time.

Already purchasing your electricity from an EGS?

If you already have an EGS, you can remain with that supplier. Although you may have the option, switching may not be right for you – especially if you're currently committed to a long-term contract. Check with your supplier to find out if there is an early termination fee before switching. You'll want to determine whether switching providers will save you money.

Is PCL&P your electric supplier?

If you've never chosen, or do not plan to switch to an EGS, PCL&P is your default electric supplier. PCL&P's market-based prices change quarterly, based on market conditions. PCL&P posts these prices for the current calendar quarter.

How to compare choices

The decision to use an EGS can be based on price, services and incentives offered by the EGS. Think about what's important to you. For example, are you comfortable with the contract terms? Do you prefer a fixed price, or a variable price? Does the EGS provide any additional services? Does the EGS provide any incentives for switching?

Contracts and terms

Some EGS's offer month-to-month plans with no long-term commitment. Others may offer plans with contract periods that last as long as several years. Contracts may also include a penalty for early termination.

Fixed and variable electric prices

Electric supply can be priced like interest or mortgage rates. A fixed rate remains the same throughout the term of the contract. A fixed rate plan may be best if you're interested in locking in a long-term price. By contrast, a variable rate can go up or down based on market prices for electric supply. A variable rate plan may be best if you regularly monitor your energy bills and don't mind switching based on market fluctuation.

Calculating your potential savings

You'll want to make an apples-to-apples comparison to determine if an EGS is offering a better price on the electric supply portion of your bill. To do this, pay attention to the "Price to Compare" (PTC). The PTC is the price per kilowatt hour (kWh) for your electric supply, and is the portion on your bill that is open to competition. The PTC can be easily found on your bill and is referenced as PTC on the sample bill on page 5.

The PTC is calculated by obtaining your Total Supply Charge (C) divided by your Total kWh usage (A). The price is listed in cost per kilowatt hour (\$/kWh). By comparing the competing EGS's price per kilowatt hour with your current EGS's or PCL&P's PTC, you can find out whether or not you will save money by switching. For example, if your current EGS's PTC is 10 cents per kWh and the competing EGS is charging 9 cents, then you can save 1 cent on every kilowatt hour that you use for the time period in which the price is applicable. If you use 700 kWh a month, you would save \$7.00.

When making your decision, it's important to consider fixed and variable rates, historical trends in prices, and whether the EGS offers any guaranteed savings. For instance, if one EGS is offering a fixed rate of 10 cents/kWh for a one-year term and another EGS is offering a variable rate of 8 cents/kWh, the savings you would receive with the variable rate could be short-lived.

Residential customers

For your convenience, here are explanations of the bill elements that are pertinent when shopping for electric supply.

A Total kWh usage – Your electric consumption during the billing period.

kWh (kilowatt hour) – A standard unit of electricity or consumption equal to 1,000 watts used in one hour.

B Delivery charges remain regulated by the PAPUC Delivery Charges – Charges for the use of local wires, transformers, substations, and other equipment used to deliver electricity to end-use consumers.

Basic Service Charge – A monthly basic distribution charge to cover costs for billing, meter reading, equipment, maintenance and advanced metering when in use.

Delivery State Tax Adjustment Surcharge – A charge, or a credit, on electric rates to reflect changes in various state taxes included in your bill.

C You choose the supplier/cost

Default Service Electric Supply Charge – Electric supply charge for customers who do not have an EGS.

Commercial customers

General information on how to calculate your potential savings, along with an explanation of the "price to compare" PTC, can be found on page 4 of this guide.



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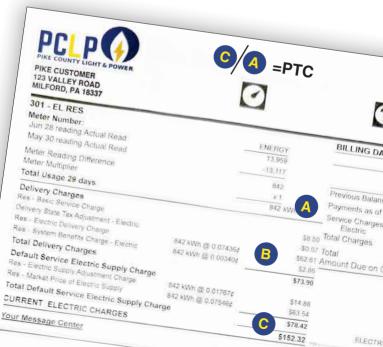
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electricity to end-use consumers. **Basic Service Charge** – A monthly basic distribution charge to cover costs for billing, meter reading, equipment, maintenance, and advanced metering when in use. The first 5.0 kW of demand that you use are included in this charge. Additional demand charges are applied only when you exceed 5.0 kW of

Delivery State Tax Adjustment Surcharge – A charge, or a credit, on electric rates to reflect changes in various state taxes included in your bill.

C You choose the supplier/cost

Default Service Electric Supply Charge – Electric supply charge for customers who do not have an EGS.





Additional resources

There are many resources to help you shop for an electric supplier. You can obtain pricing and contact information for electric suppliers at the following websites:

- PCL&P's website at: pclpeg.com or call 1-855-855-2050.
- Office of Consumer Advocate's (OCA) website at: oca.state. pa.us or call 1-800-684-6560.
- Pennsylvania PUC PowerSwitch website at: papowerswitch. com/shop-for-electricity or call 1-800-692-7380.
- Sign up to receive email alerts when prices are changing in your area. Go to papowerswitch.com/shop-for-electricity.

Choose from this list of electric suppliers

The following electric suppliers serve PCL&P's residential and/ or business customers:

- Direct Energy Services LLC visit directenergy.com or call 1-888-734-0741.
- Pennsylvania Gas & Electric visit pagande.com or call 1-866-706-7361.
- PCL&P visit pclpeg.com or call 1-855-855-2050.
- Constellation Energy visit constellation.com or call 1-877-997-9995

Ask the right questions

Here are a few questions to ask each supplier:

- Is the supplier licensed by the PAPUC?
- What are the prices, terms, and conditions of the agreement?
- · Are these provided in writing?
- Are the prices fixed, or could they vary from month to month?
- Can I save money on my electric supply costs? If so, how much?
- Are there any cancellation or early termination fees?
- Are there additional fees not included in the price quote?
- How have the prices compared historically against the market prices, or against the default service prices?
- Does the EGS provide any additional services?

How does the process work once you decide to switch to an EGS?

If you're currently buying your electricity from an EGS and you take no action, you simply remain with that EGS. If you want to switch to a different EGS, remember to review your contract for any termination policies, or fees that may apply.

It takes a minimum of 11 days to 41 days to complete the switch. Once you have found an offer that's right for you, give your 10-digit PCL&P account number to the EGS you selected. The EGS will then work with PCL&P to process the switch. You'll receive a letter by mail from PCL&P confirming your switch to a new supplier, along with a date the service from the EGS will begin. Should you decide to cancel the supplier change, please call PCL&P Customer Assistance at 1-855-855-2050. PCL&P charges you nothing to switch your EGS.

PowerSwitch

PowerSwitch is an introductory energy choice program that provides PCL&P's residential and business customers the ability to choose an EGS. The program includes a one-time 7% cost saving (on the supply portion of your PCL&P bill) for the first two billing periods (introductory period). The 7% discount provided by your new EGS is based on PCL&P's current price to compare.

To be eligible for the 7% savings, you must sign up directly through PCL&P by enrolling online, at www.pclpeg.com, or by calling us toll free at 1-855-855-2050, weekdays, 8 a.m. -4:30 p.m., to speak with a representative. You may participate in this program only once and must be purchasing your electricity from PCL&P at the time of enrollment.

You may select an EGS from a list of participating PowerSwitch EGS's at www.pclpeg.com, or, if you prefer, we will choose one for you. After you enroll, you will receive a confirmation letter from PCL&P including contact information for the EGS. Next, you will receive a sales agreement from the EGS providing prices that will take effect after the introductory period expires, as well as conditions for electric service. Be sure to review the price that will take effect beyond the introductory period as savings are not guaranteed beyond that period.

After the introductory period, participation is on a month-tomonth basis. If you wish to cancel your agreement after the introductory period, contact the EGS directly. Review your contract for notification requirements, penalties, or termination fees before you cancel your agreement.

Switching to an EGS does not change the services you receive from PCL&P

If you choose an EGS, PCL&P will still deliver electricity to your home or business through its wires. PCL&P will continue to read your meter, provide customer assistance, and respond to emergencies in case of a power outage, as well as perform routine services to maintain the safety and reliability of the delivery system.

If, for any reason, your new supplier can't provide you with electric supply, your service will not be interrupted. PCL&P will always be your back-up supplier. If this should happen, you will be charged the current PCL&P price for your electric supply.

Where does my bill come from?

For your convenience, PCL&P can still do the billing. You'll receive a single bill from PCL&P each month, with a separate page showing the EGS electric supply costs. You'll only need to make one monthly payment. PCL&P will pay your EGS directly.

Who to contact with a problem

If you have a complaint related to the delivery of your electric service, i.e., power outage, meter reading, or billing error, contact PCL&P's Customer Assistance at 1-855-855-2050.

If you have a complaint related to the price of your electric supply or about the terms and conditions of your EGS agreement, you MUST first contact your EGS directly to give them an opportunity to resolve the issue.

If you have a complaint, and are unable to resolve your dispute with the EGS, you have the option to file a complaint with the PAPUC. Please call the Commission at 1-800-692-7380 or go to the website www.puc.state.pa.us/general/filecomplaints.aspx.

Your shopping worksheet

Using the worksheet below, you can determine if an EGS is offering a better price than your current supplier. Remember, you are only shopping for the supply portion of your bill. Your actual bill will include the cost of delivering and supplying your electricity.

Enter the two supplier's names on the top line to begin.

- 1. Enter your current supplier's price to compare (PTC), which is given in cents per kWh.
- 2. Call new EGS's to find out their PTC. Write that price on Line 2.
- 3. Subtract the new supplier price from the current PTC and write that number on Line 3.
- Review your last 12 monthly bills to determine the average number of kWh your household uses and write it on Line 4.
- 5. Multiply Line 3 by Line 4 and put that number on Line 5.
- 6. Divide the subtotal by 100 to calculate your savings per month.
- 7. Some EGS's charge a monthly fee in addition to the charge for electric supply. If the EGS charges a fee, write the amount on Line 7. Enter zero if there is no fee.
- 8. Subtract the monthly fee from your savings per month (Line 7 from Line 6) and enter this on Line 8. This will show you what your "Final Monthly Savings" may be.

Remember this example only compares electric supply prices. Your actual bill also includes delivery costs.

Compare two companies		
Current Supplier PTC		cents/kWh
2 New Supplier PTC -		cents/kWh
3 Savings =		cents/kWh
4 Average kWh/month X		kWh
5 Subtotal =		cents/mo.
6 Cents/mo ÷ 100 = \$		savings/mo.
7 Monthly Fee? \$		
8 Final Monthly Savings \$ (actual savings may vary)		



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