



# Frequently Asked Questions When Shopping for Electricity

**Shop. Switch. Save.**  
The Power is in Your Hands.

[www.PAPowerSwitch.com](http://www.PAPowerSwitch.com)

**PA**PowerSwitch   
Pennsylvania Public Utility Commission

Just like you shop for other services like cell phone, cable or insurance, you can shop for electricity. You may be able to save money by shopping for the generation portion of your bill. Competitive suppliers are making offers to most Pennsylvania electric customers for the generation portion of their bill.

You can shop based on price, environmental preferences or special services and deals. Consumers are encouraged to seek out competitive electric generation suppliers (EGSs) to obtain pricing information for the generation portion of their bill. Competitive offers may not be available in all areas, and EGS prices are unregulated by the Public Utility Commission (PUC).

## FUNDAMENTALS OF SWITCHING SUPPLIERS

### WHAT IS AN ELECTRIC SUPPLIER?

Your electric supplier, or EGS, is the company that provides your electric generation service. In Pennsylvania, you have the power to choose your electric supplier.

### WHY SHOULD I SHOP FOR ELECTRICITY?

Just like you shop for any household item, you can shop for your electricity to find the best deal and the best service for your needs. Remember, saving just one cent per kilowatt hour (kWh) could translate into more than \$100 a year in savings, depending on usage. Competitive offers may not be available in all areas.

### CAN I SAVE MONEY BY CHOOSING A COMPETITIVE ELECTRIC SUPPLIER?

Depending on where you live, you may be able to save money by switching electric suppliers. Pennsylvania's retail market enables competitive electric suppliers to offer services to residential and small business customers in most service territories. Also, a supplier may be willing to negotiate on price or other services to entice you into switching suppliers. Competitive offers may not be available in all areas.

### WHERE CAN I FIND INFORMATION ON CURRENT SUPPLIER PRICES?

Many electric generation suppliers choose to list their prices, along with other terms and conditions, on [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) — click on Shop For Electricity now. If a supplier is not found on [PAPowerSwitch.com](http://www.PAPowerSwitch.com), then you will need to contact the supplier directly. Also, if you are interested in a supplier's historical pricing information, you will need to contact the supplier directly. Pennsylvania regulations require suppliers to provide up to two years of historical pricing data, upon a customer's request.

### IF I CHOOSE A NEW SUPPLIER, WHAT PART OF MY SERVICE WILL CHANGE?

There are three parts to your electric service: generation, transmission and distribution. Generation is the production of electricity. Transmission is the movement of that electricity from where it is produced to a local distribution system. Distribution is the delivery of electricity to your home or business.

When you shop for an electric supplier, you are choosing the company that generates or supplies your electricity. For electric customers who select a new supplier, transmission costs also will be included in the charges from your new supplier. The electric utility that distributes your electricity — or your Electric Distribution Company (EDC) — will remain the same.

### CAN EVERYONE SHOP FOR A SUPPLIER?

Most residents of Pennsylvania have the power to choose their electric supplier. However, competitive offers may not be available in all areas.

### MY ELECTRIC UTILITY HAS ALWAYS BEEN A GOOD COMPANY. WHY SHOULD I SWITCH NOW?

Electric utilities are encouraging customers to shop around because you may be able to save money by switching to a competitive supplier. Regardless of whether you choose a different supplier, your electric utility will continue to supply and deliver your electricity, provide reliable service and respond to outage problems. The quality, reliability and maintenance of your electric service should not change, as it is still monitored by the Commission.

## SERVICE

### WHO SHOULD I CALL ABOUT OUTAGES AND REPAIRS?

You will still call your electric utility about power outages and repairs.

## CONSIDERATION FOR SWITCHING SUPPLIERS

### HOW DO I KNOW THAT A DIFFERENT SUPPLIER WILL PROVIDE RELIABLE SERVICE?

If you choose a new electric supplier, the quality, reliability and maintenance of your electric service will not change. Your current electric utility will continue to provide the same transmission and distribution service. Electric suppliers must be licensed by the PUC to do business in Pennsylvania.

### WHAT SHOULD I DO IF A PERSON TRIES TO SELL ME ENERGY SERVICE BY SOLICITING MY HOUSE?

- Door-to-door marketing is sometimes conducted by independent suppliers.
- Before inviting a door-to-door marketing representative into your home, providing personal account information or engaging in contract discussions, you should request identification that includes:
  - The full name of the representative.
  - A photograph of the representative.
  - The full name, business address and telephone number of the company represented.
- You also may contact the Pennsylvania PUC at 1-800-692-7380 to confirm that the company being represented is a licensed supplier.
- Feel free to contact the company represented to find out if they are sending sales representatives door to door.
- It is unnecessary to provide the sales representative a copy of your utility bill or the account number unless you are interested in pursuing an offer.
- Carefully review all contract terms before signing, including fine print and any fees for early termination.
- You do not have to make a decision on the spot. You can check your options at [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com) to shop competitive supplier prices.
- If you have any questions or concerns, you may call the the PUC at 1-800-692-7380.
- PUC Regulations on Marketing and Sales Practices for the Retail Residential Market can be found at: [www.pabulletin.com/secure/data/vol41/41-43/1789.html](http://www.pabulletin.com/secure/data/vol41/41-43/1789.html).

### HOW LONG WILL IT TAKE TO SWITCH TO A NEW SUPPLIER?

With Pennsylvania's new accelerated switching rules, most Pennsylvania customers can be switched to their new supplier in three business days once the electric utility is notified of the switch by the supplier.

### IF I HAVE AN UNPAID BALANCE ON MY ELECTRIC ACCOUNT, CAN I STILL SWITCH?

Yes — but first you will need to call your electric utility and make an arrangement to pay your balance. Once you've done this, you can shop for a new supplier.

### WHILE SHOPPING FOR A NEW SUPPLIER, ARE THERE CHANGES IN THE RULES FOR ELECTRICITY SHUT-OFFS?

No — the shut-off rules remain the same. If you have received a shut-off notice, please contact your utility for information about programs to help you pay your bill.

### ARE THERE ANY PENALTIES FOR SWITCHING SUPPLIERS?

This depends on the agreement you have with your current supplier. Review your agreement with your current supplier to see if there are any penalties for cancellation. If you are not sure, call your current supplier. Be sure to ask your new supplier if there are any fees or penalties for cancelling or switching service.

### WILL I NEED A NEW ELECTRIC METER IF I CHOOSE A NEW SUPPLIER?

Not if you are a residential customer. However, you may want to ask if the utility offers an advanced meter. These meters allow you to record your electric use during specific time periods, which could help you reduce energy use and benefit from special time-of-day discounts and other cost savings.

### HOW DO I LEARN IF AN ELECTRIC GENERATION SUPPLIER PROVIDES RENEWABLE ENERGY?

When shopping for your competitive EGS on the PAPowerSwitch website, you have the opportunity to learn which companies offer renewable energy services. If you click on Shop for Electricity and enter your zip code, a list of suppliers offering competitive generation service in your area will appear. Under company name is a category called Renewable Energy. If there is a 'yes' beside this heading, the company does offer renewable sources. You may narrow your choices by selecting 'Renewable Energy' suppliers. Please note that the companies making these offers are available as additions to your current electric supply purchase and that, by selecting one of these plans, the charge for the plan will be added to your monthly bill.

## RATES

### WHAT IS A FIXED PRICE?

An all-inclusive, per-kWh price that will remain the same for at least three billing cycles or the term of the contract, whichever is longer. A fixed price will remain the same, usually for a set period of time. This will give you certainty that your price will not change during the term of the agreement. However, if you are in a contract and market prices fall, you may have to wait until your contract expires to get a lower price. Also, even with a fixed rate, you need to know when your contract ends. Unless you act prior to the expiration date in your contract, your fixed rate may change to a monthly variable rate. You should read your contract's disclosure statement for the terms and conditions to find out what happens after your term expires.

### WHAT IS A VARIABLE PRICE?

An all-inclusive, per-kWh price that can change, by the hour, day, month, etc., according to the terms and conditions in the supplier's disclosure statement. If you select a variable rate, the rate may change with market conditions. So if market prices increase, your rate may increase. If market prices drop, your rate may decrease.

### IF I CHOOSE A VARIABLE RATE, CAN THE RATE ON MY BILL INCREASE MONTH TO MONTH?

Yes.

### AM I AT RISK FOR INCREASES IN MY BILL IF THE ENERGY MARKET FLUCTUATES?

Yes — whether you have a fixed or variable rate, you may experience high bills during periods of market volatility. Cold and hot temperatures may increase the use of your heating and cooling units which, in turn, will translate into higher energy bills whether you are on a fixed or variable rate.

### WHAT IS THE "PRICE TO COMPARE"?

The price to compare (PTC) is the price per kWh your EDC will charge and includes: charges for generation and transmission; the state's gross receipts tax; and the utility's charges for implementation of the Alternative Energy Portfolio Standards. Under the law, an EDC's PTC may be adjusted quarterly but is not seasonal. An EDC develops its PTC based on what the company pays for electricity during auctions held over a two-year period on the wholesale energy market.

As you shop for electricity, ask competitive suppliers to provide you with a PTC so that you can make an apples-to-apples comparison on price for the generation portion of your bill. Be sure to ask how long the price is effective and verify if taxes or other fees are included in the PTC.

### IF A MONTHLY FEE IS NOT INCLUDED IN A SUPPLIER'S PRICE PER KWH, WHERE CAN INFORMATION ON MONTHLY FEES BE FOUND?

Any supplier must list monthly fees in the supplier's contract with the customer. Furthermore, a supplier making product offers on [PAPowerSwitch.com](http://PAPowerSwitch.com) must list a monthly fee in the "Monthly Fee" field under the supplier's name.

### IF A SUPPLIER CHARGES A MONTHLY FEE, IS IT INCLUDED IN THE ESTIMATED PRICE PER MONTH ON PAPERPOWERSWITCH?

Yes.

## BILLING

### WILL I RECEIVE TWO ELECTRIC BILLS IF I CHOOSE A NEW SUPPLIER?

In most cases, you should be able to receive a single monthly bill from your electric utility. However, some suppliers might want to bill you separately. In this case, you may receive two bills, one from your electric utility and one from the supplier.

### WHO DO I CONTACT IF I HAVE BILLING QUESTIONS?

If you have a question about the generation charges, contact your electric supplier. Otherwise, you should continue to contact your electric utility to report outages and request repairs.

### IF MY BILL SEEMS INCORRECT OR MY RATE IS INACCURATE, WHAT SHOULD I DO?

There are several things you can do.

- Contact your supplier to confirm the accuracy of your bill and rate.
- Check your contract's disclosure statement for terms and conditions.
- Conserve by learning ways to save energy.
- Evaluate competitive offers at [www.PAPowerSwitch.com](http://www.PAPowerSwitch.com)

### IF I STILL HAVE A DISCREPANCY WITH MY BILL AFTER CONTACTING MY SUPPLIER, WHAT CAN I DO?

Contact the PUC's Bureau of Consumer Services at 1-800-692-7380.

## SPECIAL PROGRAMS

### I PARTICIPATED IN A PRE-PAY PROGRAM WITH MY UTILITY BUT WOULD LIKE TO CHOOSE ANOTHER SUPPLIER. WHAT HAPPENS TO MY MONEY?

The money that you deposited in a pre-pay plan and any interest will be applied to your account, no matter who supplies your electricity.

### WILL I STILL BE ABLE TO TAKE ADVANTAGE OF "BUDGET BILLING"?

Yes — residential customers may contact their electric utility and/or supplier and request budget billing at any time. Most suppliers offer budget billing, which allows you to pay a fixed amount each month. Budget billing averages bills out over 12 months, so each monthly bill will be the same amount until the total bill is paid. The company may adjust the bill four times a year, up or down, depending on the customer's use.

### IF I CHOOSE A NEW SUPPLIER, CAN I STILL RECEIVE HELP IN PAYING MY ELECTRIC BILL?

Yes — call your electric utility for more details. If your income is limited, programs are available to help you pay part of your bill or lower the amount of electricity you use. Your electric utility may call the programs by different names, but many programs are available to you whether you switch suppliers or not.

### IF I CHOOSE A NEW SUPPLIER, CAN I STILL USE THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)?

Yes — you may still be able to receive LIHEAP if you shop. Contact your electric utility for details.

### IF I AM A CUSTOMER-GENERATOR WHO HAS SIGNED UP FOR NET METERING WITH MY UTILITY, CAN I STILL RECEIVE CREDITS FROM THE ELECTRIC UTILITY IF I ENROLL WITH A SUPPLIER?

If you are a net-metering/renewable-service utility customer, you will no longer receive credits from the utility after switching to an supplier. The utility will provide you with a final credit for any energy you produced prior to the switch. Prior to enrollment with a supplier, net-metering/renewable-service customers should contact prospective suppliers to find out if these suppliers offer any credits for energy produced.

## TAXES

### WHAT IS GROSS RECEIPTS TAX (GRT) ON SALES OF ELECTRIC ENERGY?

GRT is paid by both EDCs and EGSs on the basis of the company's or the supplier's gross receipts from the sale of electric generation supply within the Commonwealth of Pennsylvania. Electric distribution companies and electric generation suppliers include the GRT as part of the cost of electric generation supply.

By law, the current GRT rate in Pennsylvania is 5.90 percent. However, since the tax is embedded in the cost of electric generation supply, EDCs and EGSs apply a gross-up factor to determine the amount of GRT that must be paid to Pennsylvania. As a result, EDCs and EGSs pay GRT to Pennsylvania in the amount of 6.27 percent on the base price of electric generation supply. This gross-up factor is calculated by the following formula:  $1/1-5.90$  percent.

[www.puc.pa.gov](http://www.puc.pa.gov)  
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**PA PUBLIC UTILITY COMMISSION**  
Bureau of Consumer Services  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
1-800-692-7380



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Pennsylvania Public Utility Commission