

## Understanding Your Electric Bill

A summary of the specific charges and billing terms that may be included on your bill are as follows:

### A

**Account Number:** Number assigned to a service account for a specific residence.

**Account Status:** Balance and/or payments applied to an account.

**Actual Meter Read or ACT:** A reading that measures the exact amount of electricity used during the billing period.

**AEP/CSW Net Merger Savings Rider:** A share of estimated savings from the merger of AEP Michigan Power Company and Central and South West Company, shown as a billing credit.

### B

**Billing Month:** Number of days of usage ranging from 26-35 days.

### C

**Choice Implementation Surcharge:**

Charge that allows the company to recover program costs of customers who buy their electricity from other electrical suppliers.

**Current Bill or Current Charges:** Charges for the most recent usage.

**Customer Charge (also called System Access, Monthly Service or Availability Charge):** Fixed monthly charge covering costs of meter reading, billing, equipment and maintenance expenses, whether or not the service is used.

### D

**Days Billed:** Number of days in the billing cycle.

**Distribution Charge (also called Delivery Charge or Retail Transmission Services):** Cost for delivering electric energy to a home or business.

**Due Date:** Date a bill must be paid. NOTE: Bills must be paid 21 days from mailing date. Late charges may be added after 26 days.

### E

**Energy Optimization Surcharge:** Charge directed by the legislature for programs to help customers use energy more efficiently.

**Enhanced Security Surcharge:** Charge related to an Order issued by the Nuclear Regulatory Commission after September 11, 2001 for increased security at nuclear-generating facilities.

**Estimated Meter Read:** Estimated amount of electricity used during the billing period, based on past usage and weather.

### I

**Implementation Surcharge:** A rate increase that the company bills prior to MPSC approval. If the MPSC rejects or reduces the rate, a refund with interest will be received by customers on their bill.

## K

**kWh:** A measure of electricity or a unit of energy. One kWh is equal to a 100-watt light bulb burning for about 10 hours.

## N

**Nuclear Decommissioning Surcharge:** Costs to safely remove a nuclear power plant from service and return the site to a safe state for future use.

## P

**Power Supply Cost Recovery Charge (PSCR):** The actual cost of fuel a company uses to get electricity, along with the cost of the electricity. This includes the cost to transport the electricity from generating plants to the company delivery system.

**Power Supply Energy Charge or Generation Services:** Cost for producing electricity by changing other forms of energy, such as coal or natural gas, into electricity.

## R

**Rate:** A charge, approved by the MPSC, for a unit of energy provided for customer use for a specific period of time.

**Renewable Energy (Plan) Surcharge:** Charge that offsets the cost of the company's efforts to use solar and wind power.

**Regulatory Asset Recovery Surcharge:** Charge to recover certain investments and expenses of the company during the rate freeze and rate cap imposed by Public Act 141 of 2000.

## S

**Securitization Bond and Bond Tax Charge:** Charges that cover payment of refinanced debt from its nuclear power plants.

**Sales Tax:** - 4% for residential service (6% for business service) required by Michigan Department of Treasury.

## T

**Total Amount Due** (also called **Total Account Balance** or **Total Current Charges**): Current amount owed, including any past due amounts.

**NOTE: For a more detailed description of charges, see the MPSC website.**

[michigan.gov/mpsc](http://michigan.gov/mpsc)