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.
**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.

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

**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.

**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.

**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.

**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.

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