Electric Commodity Glossary – Pennsylvania

Basic Services:
Services necessary for the physical delivery of service, including generation, transmission and distribution. The monthly customer charge and the temporary transition charge are also basic service charges.

Customer Charge:
Part of the monthly basic distribution charge to partially cover costs for billing, meter reading, equipment, service line maintenance and equipment. This charge is the same no matter how much electricity you use.

Consumer’s Dictionary for Electrical Competition:
The Pennsylvania Public Utility Commission’s official Dictionary of terms used in the competitive electricity market. Some of these terms are included in this Glossary. Please use this link to review all of the terminology: http://www.puc.state.pa.us/electric/electric_competition_dictionary.aspx

Customer Disclosure:
A contract between an Electric Generation Supplier and a customer that outlines the terms and conditions of service (i.e. length of term, fees, etc.) and other important information. Electric Generation Suppliers must provide this disclosure to all customers at time of enrollment.

Deregulation:
Removal or relaxation of regulations or controls governing a business or service operation such as utilities.

Distribution:
The local wires, transformers, substations and other equipment used to deliver electricity to end-use consumers from the high-voltage transmission lines.

Distribution Charges:
Part of the basic service charges on every customer’s bill for delivering electricity from the electric distribution company to your home or business. The distribution charge is regulated by the Public Utility Commission. This charge will vary according to how much electricity you use.

Early Cancellation Fee (ECF):
The fee Stream charges when a customer on a Fixed Plan terminates service prior to the end of their contract. This ECF is stated in the Customer Disclosure. When Stream offers a Fixed Plan, a “strip” of electricity is purchased at a wholesale rate to support the retail price charged to the Customer. When a customer terminates their Fixed Plan Agreement with Stream early, Stream is still liable to purchase their electricity at that rate, and, therefore, charges an ECF to offset this liability.

Electric Choice (EC) Program:
The Pennsylvania Electric Choice Program is the PUC approved program which supports customer choice of Electric Generation Supplier (EGS) in both the residential and commercial/industrial sectors. Presently Stream will only be allowing IAs to market in the Residential portion of the EC Program.

Electric Distribution Company (EDC)
The company (Utility) that owns the power lines and equipment necessary to deliver purchased electricity to the customer. Unlike the TX and GA markets, in Pennsylvania, the Utility is our Partner since they will usually do our Billing, collections, and are our Customer’s Primary Customer Care contact. In Pennsylvania, we will be initially be marketing in the PPL and then the PECO Utility Service Areas. We hope to open up other Utilities as the PA market matures. The Utilities in PA are:
- Pennsylvania Power & Light (PPL) (See Pennsylvania Service Area Map below)
- Philadelphia Electric Company (PECO) (main city: Philadelphia)
- Allegheny Power (West Penn Power)
- Duquesne Light Company (main city: Pittsburgh)
- Metropolitan Edison Company - MetEd (First Energy)
- Pennsylvania Electric Company - Penelec (First Energy)
- Penn Power (First Energy)
- Pike County Light and Power (Orange & Rockland)
- UGI
- Wellsboro Electric Company

**Electric Generation Supplier (EGS)**
The licensed competing retail electric provider (ex: Stream Energy) in the PA Electric Choice Program.

**Stream’s Local Office in PA:**
Stream Energy
P.O. Box 7287
Philadelphia, PA 19101-7287

**Fixed Price:**
A price which remains the same, usually for a set time period. (In Stream Energy’s Fixed Plan Contract the price is a fixed price for a set period of time.)

**Generation:**
The production of electricity. In Pennsylvania, electricity is produced by a number of methods including natural gas, coal, nuclear power, wind, water and solar energy. The generation of electricity is deregulated.

**Generation Charge:**
Part of the basic service charges on every customer’s bill for producing electricity. Generation service is competitively priced and is not regulated by the Public Utility Commission. This charge depends on the contract between the customer and the supplier.

**Grid:**
A network for the transmission of electricity throughout the state, region or nation. The term is also used to refer the layout of an electric distribution system. (See PJM)

**Intangible Transition Charge:**
Charges to utility customers to pay for special bonds that are used to refinance utility debt, thereby lowering overall costs for the utility and its customers.

**Kilowatt-hour (kWh):**
The basic unit of electric energy for which most customers are charged in cents per kilowatt-hour. A unit of energy equal to one kilowatt (kW) of power expended for one hour of time. The amount of electricity used each billing period is expressed in terms of a kilowatt-hour and is noted on your bill.
Population Center Terminology and Links:
Pennsylvania Law defines four types of incorporated municipalities within the County: cities, boroughs, townships, and a single official “town” (Bloomsburg):

- **City**: 56 population centers officially termed “cities” ranging from 748 – 1.5 million population
- **Borough**: approximately 950 population centers historically referred to as “boroughs” ranging from $< = 200$ up to $\sim 35,000$ with the defining characteristic of not having a municipal structure
- **Town**: there is only one “official” town in PA: Bloomsburg
- **Township**: Townships are subsections of counties and can contain boroughs and cities but have their own governance and are counted separately by the census. [There are a good number of duplicate names so you have to be sure if somebody's talking about the city, borough or township (or unincorporated village).] There are over 1500 townships that are divided into first class and second class townships according to population density.

- **Links to Population Center details**:
  - [http://en.wikipedia.org/wiki/Pennsylvania_Regions](http://en.wikipedia.org/wiki/Pennsylvania_Regions) (see PA Service Area Map above)

Price to Compare (PTC):
Kilowatt-hour amount a consumer uses to compare prices and potential savings among generation suppliers. The Utility’s PTC will be updated Quarterly starting in 2011. The PTC may be referenced at: [http://www.papowerswitch.com/](http://www.papowerswitch.com/)

Provider of Last Resort (POLR):
The company providing generation services to those who do not choose another supplier, are unable to find a supplier willing to serve them or for some reason no longer receive generation services from another supplier.

Public Utility Commission (PUC) of Pennsylvania:
The Pennsylvania Public Utility Commission is the state regulatory agency that provides oversight, policy guidance and direction to electric public utilities. The PUC regulates the delivery of electricity and enforces customer protections.
**PJM:**
**Pennsylvania – New Jersey – Maryland (PJM) Interconnection Independent Service Operator (ISO) –**
Pennsylvania is part of the PJM electric “Grid”. It is a Regional Transmission Organization (RTO) that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia. Acting as a neutral, independent party, PJM operates a competitive wholesale electricity market and manages the high-voltage electricity grid to ensure reliability for more than 51 million people. PJM is interconnected to other ISOs and is bordered on 3 sides by NY ISO [to the North], Midwest ISO [to the West], and SE Reliability Council (SERC) [to the South]. PJM is like ERCOT (in Texas); however, ERCOT is not interconnected to other ISOs.

**Renewables (Green Power):**
Resources used to generate electricity that are capable of being replaced naturally. This includes fuels and technologies such as solar photovoltaic energy, solar thermal energy, wind power, low head hydro power, geothermal energy, landfill and mine based methane gas, energy from waste and sustainable biomass energy.

**Slamming:**
Switching electric service without a customer’s approval. This practice is illegal and penalties are enforced by the PUC. Ignite has a zero tolerance Policy towards slamming and is a terminable offense (see your Policies and Procedures Manual in your Power Center).

**Transmission Charges:**
Part of the basic service charges on every customer’s bill for transporting electricity from the source of supply to the electric distribution company. The Federal Energy Regulatory Commission regulates retail transmission prices and services. This charge will vary with your source of supply.

**Variable Price:**
A price which can change, by the hour, day, month etc. Stream’s Variable Plan(s) usually readjusts on a monthly basis in response to the energy market.

**Weatherization:**
Modifying a home or building to conserve energy. Methods include: sealing window and doorframes with caulking or gaskets, installing storm doors and windows, and adding or increasing the insulation.
**Natural Gas Commodity Glossary – Pennsylvania**

**Balancing Charge:**
The charge for using storage system to adjust for the differences between the amount of gas delivered for a customer on a daily basis versus the amount of gas used by a customer on a daily basis. This charge is applied from November through March only.

**Commodity Charge:**
The charge for the natural gas supply that was delivered to a customer’s home.

**Customer Choice:**
The ability of electricity and natural gas customers to shop, compare prices, and choose the company that generates or supplies their electricity and natural gas. Their utility continues to provide delivery service under regulated rates and conditions.

**Delivery Charge:**
The sum of the Service Charge, Distribution Charge and Balancing Charge.

**Deregulation:**
The removal of government regulations. Consumers can choose their energy supplier. Only the supply of electricity and natural gas is deregulated; transmission and distribution services remain regulated. This type of limited deregulation is also referred to as unbundling or restructuring.

**Distribution:**
Distribution is the final step in delivering natural gas to customers. While some large industrial, commercial, and electric generation customers receive natural gas directly from high capacity interstate and intrastate pipelines (usually contracted through natural gas marketing companies), most other users receive natural gas from their local gas utility.

**Distribution Charges:**
The charge for using the local utility’s gas distribution system for delivery of natural gas to a customer’s home. The cost of government-mandated programs and certain net revenue credits are included.

**Early Cancellation Fee (ECF):**
The fee Stream charges when a customer on a Fixed Plan terminates service prior to the end of their contract. This ECF is stated in the Terms and Conditions.

**Fixed Price:**
A price which remains the same, usually for a set time period. (In Stream Energy’s Fixed Plan Contract the price is a fixed price for a set period of time.)

**Local Distribution Company (LDC):**
LDCs are regulated utilities involved in the delivery of natural gas to consumers within a specific geographic area. There are two basic types of natural gas utilities: those owned by investors, and public gas systems owned by local governments.

**Public Utility Commission (PUC) of Pennsylvania:**
The Pennsylvania Public Utility Commission is the state regulatory agency that provides oversight, policy guidance and direction to natural gas public utilities. The PUC regulates the delivery of natural gas and enforces customer protections.
**Price to Compare (PTC):**
Calculated using a customer’s natural gas usage and the cost per therm for that gas. This number is useful in helping a customer compare offers from third party suppliers of gas.

**Service Charge:**
A fixed monthly charge that includes the cost to maintain an account for a customer, including metering and billing.

**Slamming:**
Switching energy service without a customer’s approval. This practice is illegal and penalties are enforced by the PUC. Ignite has a zero tolerance Policy towards slamming and is a terminable offense (see your Policies and Procedures Manual in your Power Center).

**Supply Charges:**
Charges associated with the cost of natural gas.

**Customer Disclosure:**
A contract between a Third Party Supplier and a customer that outlines the terms and conditions of service (i.e. length of term, fees, etc.) and other important information. The Third Party Suppliers must provide this agreement to all customers at time of enrollment. To assure receipt of this, Stream Energy sends this to the customer at the completion of the customer’s enrollment request.

**Therm:**
A therm is the measurement natural gas companies use to determine your natural gas usage. A therm is equal to 100,000 BTUs (British Thermal Units). The amount of natural gas used each billing period is expressed in terms of a therm and is noted on your bill.

**Third Party Supplier (TPS):**
The licensed competing retail energy provider (ex: Stream Energy) in the PA Customer Choice Program.

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**Variable Price:**
A price which can change, by the hour, day, month etc. Stream’s Variable Plan(s) usually readjusts on a monthly basis in response to the energy market.

**Weatherization:**
Modifying a home or building to conserve energy. Methods include: sealing window and doorframes with caulking or gaskets, installing storm doors and windows, and adding or increasing the insulation.