



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

CONSUMERS' FACT SHEET

Office of the Ohio Consumers' Counsel

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THE FACTS ABOUT ELECTRIC BUDGET BILLING



Budget billing or budget payment plan programs can help you spread electric expenses throughout the year. In this fact sheet, the Office of the Ohio Consumers' Counsel (OCC), your residential utility consumer advocate, answers frequently asked questions and provides details about the respective budget payment plans offered to customers of American Electric Power (AEP) – Columbus Southern Power and Ohio Power – Duke Energy Ohio, Dayton Power & Light (DP&L) and FirstEnergy – Toledo Edison, Ohio Edison and Cleveland Electric Illuminating.

Q. What is a budget bill and what are the advantages of being on the budget bill program?

A. Budget billing is a payment plan where you pay a uniform amount every month for electricity rather than paying the actual monthly electric bill. The main benefit of

budget billing is that the uniform payment amount is easier to plan for each month and can help avoid high electric bills during months when considerable electricity is being used for heating or cooling.

Q. When may I enroll in a budget billing/payment plan?

A. You may enroll in a plan at any time throughout the year by contacting your electric utility. Some companies allow you to enroll by paying the budget bill amount listed on your monthly bill. Check with your electric utility to see if this is an option.

Q. How is my budget amount set?

A. Once enrolled, the utility uses your historical usage and the expected annual cost of electricity to calculate a monthly charge. This will be the amount you will pay each month until your account is reviewed.

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Q. When will my account be reviewed and a new budget amount set?

A. Each utility handles the review process differently. Each electric utility reviews your account periodically throughout the year and may set a new budget amount.

Q. How does the utility ensure accuracy in calculating budget amounts?

A. There are periodic reviews and true-ups in calculating the budget amount to make sure the budget bill amount is sufficient to cover the actual utility costs. Weather and many other factors influence the amount of usage and can affect the accuracy of the budget amount. A new budget amount will be set to make up for any shortage or credit.

Budget billing programs

The following sections explain how each electricity company performs a review and true-up when necessary.

American Electric Power (AEP)

AEP's budget billing plan offers customers a way to make equal payments for the electricity used over 12 months. AEP will estimate the amount of electricity used for those 12 months based on experience and prior 8-12 month usage. AEP also will review a customers' account every 4-6 months and may make adjustments to budget payments if usage varies from prior estimates.

Every 12th month, AEP will adjust a customer's payment to settle any differences between the budgeted

payments and the actual usage. Any overpayments are credited to the next month's bill.

Duke Energy Ohio

Duke Energy has two different budget billing plans that customers can choose from - the Annual Plan and the Quarterly Plan.

The Annual Plan allows a customer to make the same payment each month for the first 11 months. During the sixth month, a mid-year review determines if the cost of electricity or usage has varied from the monthly budget amount. If the review results in a difference of 30 percent or more, a customer will receive a message on his or her bill recommending Duke Energy be allowed to adjust the monthly budget amount to reflect actual usage. The customer must call Duke Energy if he or she agrees to have the budget amount adjusted. Otherwise, the budget amount will not change.

In the 12th month of the Annual Plan, a customer will see an adjustment made to settle any under- or overpayment between the previous year's payments and the actual cost of electricity used. Any charges must be paid in full by the due date of that month's bill. In addition, a new budget billing plan amount is set for the next program year.

The Quarterly Plan allows a customer to pay monthly installments and avoid an adjustment made during the 12th month of the annual plan. An initial monthly payment is determined. Duke Energy reviews actual usage every three months. If usage varies by 10 percent or more



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The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts.

The state agency also educates consumers about electric, natural gas, telephone and water issues.

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from the monthly payment, a message will appear on the customer's next bill and the company will automatically adjust future payment amounts.

Dayton Power & Light (DP&L)

DP&L reviews accounts each August, using the month of September as the beginning of the next budget year. During August, DP&L will determine if a customer paid more or less for electricity used during the previous year. If less electricity was used, a credit will appear on the bill in September. If more was used, an additional charge will be included. DP&L will then determine a new budget amount for the following year.



FirstEnergy

FirstEnergy offers a budget billing program called the Equal Payment Plan. This plan allows FirstEnergy customers to make equal monthly payments based on estimated annual usage. FirstEnergy reviews the customer's account quarterly to determine if any adjustment should be

made based on actual usage. If the review results in a change, FirstEnergy will put a message on the customer's bill notifying them of the change and the new monthly amount charged the following month. On the 12th month of the budget billing plan, the amount due may be higher or lower to bring the balance to zero. The account is then reviewed to ensure the appropriate payment is made in the new year under the budget billing plan.

Q. How do I enroll in the program?

A. You can enroll by contacting your electric company at the number below.

American Electric Power

Columbus Southern Power

1-800-277-0077

Ohio Power

1-800-672-2231

Duke Energy

Duke Energy

1-800-544-6900

Dayton Power & Light

Dayton Power & Light

1-800-433-8500

FirstEnergy

FirstEnergy

1-800-646-0400

Cleveland Electric Illuminating

1-800-589-3101

Ohio Edison

1-800-633-4766

Toledo Edison

1-800-447-3333

Q. How do I cancel?

A. To cancel your budget billing plan, you must call the company at the numbers listed above.