

Delmarva Power Winter Bill Impacts - Q&A

Why are energy bills increasing?

For residential heating customers, colder than average temperatures are the primary driver for higher customer bills. Based on <u>heating degree days data</u>, heating systems ran 80 percent more in December compared to November, leading to higher energy usage and potentially larger bills. Using the same data comparing December 2023 to December 2024, we can assume heating systems had to run 17 percent more year over year.

- When we are faced with extreme cold temperatures in January 2025 have been 4-5 degrees colder on average than January 2024 it takes more energy to heat your home.
- We understand the impact higher bills have on our customers and their families, and we are taking additional steps to help customers better understand their bills and sharing opportunities for financial assistance.
- We are here to help our customers. Customers can find information on what's included in their bill, ways to manage their bill and bill payment options such as budget billing at <u>Delmarva Power Bill Support</u>. Customers can also contact our customer service team by calling 1-800-375-7117. In addition, we have temporarily increased our customer service hours to better assist our customers.

Did Delmarva Power change its bill format?

Yes. Recently, Delmarva Power changed the bill format to be more transparent. While the delivery charge is not new, it is now broken out as a separate line item on the bill, and thus some customers are viewing it as a new charge. It is not a new charge. The delivery charge includes fixed charges, that are the same for each customer in a rate class and usage-based charges that are determined by the amount of electricity a customer uses. The delivery portion is charged to cover the cost of getting electricity to your home or business. It includes the cost of maintaining, expanding and improving our electric and gas delivery systems.

Are there other factors impacting the bill?

While the primary driver for the higher bills has been the colder weather resulting in higher usage, there were several rate adjustments in October 2024 for Delmarva Power electric and gas customers.

- Electric Customers: A Delmarva Power electric only customer may have experienced a 3 percent increase to their electric bill. The cost adjustments beginning October 2024 that may impact a customer's total bill compared to summer rates (June-September) include:
 - Two percent supply increase
 - Less than one percent surcharges increase
- Gas Customers: A Delmarva Power gas only customer may have experienced a 6 percent increase
 to their total gas bill. The cost adjustments beginning this winter heating season that may impact a
 gas customers bill compared to the previous season include:
 - Three percent supply increase
 - Three percent delivery increase

Electric & Gas Rates Explained

Delivery Rates

Delivery rates for both electric and gas allow the company to continue investing in important reliability upgrades, grid modernization and programs to better serve customers. Investments include regular inspections, preventive maintenance and the modernization and upgrades of power lines and natural gas lines. This rate also includes the cost of delivering electricity or gas to customers' residences. The electric delivery rates address severe storm damage and help us invest in making the grid more resilient against future storms, as well as manage inflation while ensuring reliable energy service for customers. The gas delivery rate reflects the necessary investments we make to help ensure reliable gas delivery service for our customers.

Included in the delivery rates are a customer charge, which is the same for each customer in a rate type (such as residential, commercial, etc.) and is designed to cover fixed costs such as metering, billing and Customer Care that are not impacted by how much electricity a customer uses. There are also several surcharges on the bill that go beyond the basic costs for energy such as the Low Income Charge, Green Energy Fund and the Renewable Compliance Charge.

Supply Rates

The electric supply rate is the cost of the electricity a customer uses, and that rate changes based on the purchase cost of electricity. That price comes through an annual auction by PJM Interconnection, which operates the electric grid for 13 states, including Maryland and Delaware. The organization is responsible for coordinating the flow of electricity from generation plants to local utilities through transmission lines. PJM also runs an annual capacity auction to get an adequate amount of energy supply from generation plants that meets utility energy demand. It is a pass-through cost, meaning the company does not profit from it. A component of the supply rate is a transmission charge that supports the necessary investments in the transmission network from PJM Interconnection.

The electric supply rates that Delmarva Power customers are paying today reflect the annual two-year energy auction held each year (2023 and 2024). This price averaging is important to protect customers from large changes in wholesale electric cost that can occur each year. Instead, Delmarva Power customers see an average energy cost over time, which prevents major increases in the electricity supply component of their bill.

The gas supply rate, or the commodity cost, is the cost of the natural gas we purchase from suppliers to deliver to customers. The price is determined based on supply and demand. The company purchases and stores natural gas during off-peak pricing times to give customers more predictable gas cost rates.

If a customer has a price agreement with a supplier other than Delmarva Power these agreements could cause changes based on electricity or gas costs. Customers should be sure to discuss pricing options yearly with their chosen supplier so they can better manage costs. Learn more about rates and third-party suppliers on our Rates 101 page.

Rates 101 | Delmarva - An Exelon Company

Resources available to Delmarva Power customers in Delaware

Manage My Bill

Payment Arrangements: If you've been	Budget Billing: For customers looking for
struggling with past due balances, a payment	predictable monthly payments, this program
arrangement plan enables you to pay your	offers consistent monthly payment based on
past due balance using monthly installment	your past 12 months of usage.
payments added to your monthly electric bill.	
Due Date Extension: Our Extended	Alerts and Notifications: Stay informed with
Payment Date Plan is for residential	High Usage Alerts, Weekly Usage Alerts, and
customers whose main sources of total	Home Energy Reports to avoid surprises on
household income is from government or	your energy bill.
other low-income entitlement programs	

Ways to Save - We're committed to helping our customers use less energy, save more money and improve the environment. Check out our programs to help you save energy and money. https://www.delmarva.com/ways-to-save/for-your-home/delaware

Residential Energy Saving Tips

https://www.delmarva.com/ways-to-save/tools-resources/residential-energy-saving-tips

Visit <u>delmarva.com/billsupport</u> for more information about your energy bill and available resources to help you save. Customers can also call 1-800-375-7117 to speak with a Customer Care representative directly.

Customer Assistance Options

Please note this is not intended to be a comprehensive list and other opportunities may be available with other non-profit organizations and state agencies. In addition, Delmarva Power offers budget billing and payment plans to assist customers who may be struggling to pay their energy bills.

- Delaware 211 https://delaware211.org/
- Catholic Charities https://www.ccwilm.org/
 - o Kent County: 302-674-1782
 - New Castle County: 302-654-9295
 - Sussex County: 302-856-6310
- First State Community Action
 - New Castle County Office: 302-498-0454
 - o Kent County Office: 302-674-1355
 - o Sussex County Office: 302-856-7761
- **Delaware State Service Centers -** There are 15 State Service Center locations throughout Delaware and are listed at the link below.
 - https://dhss.delaware.gov/dhss/dss/stateservices.html