Rudy Fernandez
Mayor

Council Members:
Alfred Anthony
Shawn R. Klein
Edward Meinhardt
Michael Vieira

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NEW JERSEY
EXPECT MORE, EXPERIENCE MORE.

Barry R. Lewis, Jr.
Township Manager
973-535-7974

Glenn R. Turtletaub
Township Clerk
973-535-7940

Sharon L. Weiner
Township Attorney
973-535-7940

IMPORTANT INFORMATION ON LOCAL COMMUNITY ENERGY AGGREGATION (THIRD-PARTY ELECTRIC SUPPLY)

MARCH 3, 2020

Dear Livingston Residents/PSEG Customers:

This letter is being published to explain and clarify two separate issues arising out of the Township's Local Community Energy Aggregation program which provided residents the opportunity to save money while helping the environment by using 100% renewable energy. The first issue relates to some confusion over the interpretation of the PSEG bill and understanding how to evaluate your costs and savings. The second issue relates to a recently announced rate increase that will apply equally to customers purchasing their electric supply from PSEG or renewable source electricity from Direct Energy.

Understanding Your PSEG Electric Bill and Evaluating Savings

Every PSEG customer's bill is composed of two charges, the first are the **"Total electric delivery charges"** (consisting of a flat monthly service charge and charges based on the kilowatts (kw) of electricity delivered to you) and second are the **"Total electric supply charges"**, based on the kilowatts of electricity used. The sum of those two charges results in the **"Total electric charges"** at the bottom of the bill.

a. **"Total electric delivery charges"**

PSEG is responsible for the delivery of all electricity to all Livingston PSEG customers over their transmission lines. As a result, every PSEG customer will pay the same "Monthly service charge" and "Charges for delivering electric to you", (based on kw delivered to them) which are added to establish the **"Total electric delivery charges"** (shown on the sample bill below) This amount will be the same whether your supplier is PSEG or Direct Energy.

b. **Total electric supply charges**

The cost of the actual electricity supplied is the kw used multiplied by either the PSEG supply rate per kw (if the customer remained with PSEG) or the Direct Energy supply rate per kw (for those residents who opted to receive the 100% renewable energy under the Local Community Energy Aggregation program). For residents with a third party electric supplier, such as Direct Energy, this is the amount to compare to the **"Price to Compare"** on the PSEG bill. In the bill below, the two sections connected by an arrow are the amounts to compare to determine any savings if you have Direct Energy (or another third party) as your supplier.

Whether PSEG or Direct Energy is the supplier, the "Total electric delivery charges" are added to the "Total electric supply charges" to arrive at the "Total electric charges" due. In the sample below, PSEG is the supplier so the "Total electric supply charges" are exactly equal to the Price to Compare. To compare your total cost, you would add the "Total electric delivery charges" to both your Direct Energy supply charges and the PSEG Price to Compare.

Electric Service

Details of your electric charges

Your rate: *Residential Service (RS)*

Meter # 100000000		*Usage*
Estimated reading Jul 11, 2019		25210
Estimated reading Jun 11, 2019		24470
Total electric you used in 31 days		**740 kWh**

Delivery charges

Monthly service charge		$4.95
Charges for delivering electric to you:		
kWh charges		
For the first	600 kWh x $0.048436	$29.06
For the next	140 kWh x $0.052510	$7.36
Total electric delivery charges		**$41.37**

Cost of electric supplied by PSE&G:

Charges		
For the first	600 kWh x $0.126031	$75.62
For the next	140 kWh x $0.135624	$18.99
Total electric supply charges		**$94.61**

Total electric charges $135.98

Explaining electric charges

We charge for the electric you use in kilowatt hours (kWh). 1 kilowatt is equal to 1,000 watts.

If you used a 100 watt light bulb, it would take 10 hours of use to equal to 1 kWh of energy.

Price to compare

If you want to consider getting your electric supply from another supplier, you can compare their price with ours. This month, your cost for energy supply is $94.51 (or an average of $0.127851 per kWh). this price to compare varies from month to month, depending on your usage.

Your PoD ID is: PE000000000000000000 – Your PoD ID is your Point of Delivery identification within PSE&G's system. You will need this number if you are considering enrolling with another supplier.

Announced Increase in PSEG Transmission Tariff

The Township was recently notified of an increase in the Contract rate with Direct Energy for electric supply under the LCEA. The increase will come in two stages, the first effective March 1, 2020 (reflected in April bills) and the second effective June 1, 2020 (reflected in July bills). The increase is based on an increase in the transmission tariff recently approved by the Federal Energy Regulatory Commission. (FERC). The combined effect of the two stages of increases is an overall increase in the Direct Energy contract rate from $.11320 per kw to $.12527 per kw, for a total increase of $.01207 per kw.

While unfortunate, the important point as it relates to the LCEA is that **PSEG WILL HAVE THE EXACT SAME TWO STAGE INCREASES, AND THE SAME TOTAL INCREASE OF $.01207 PER KW, ON ITS ELECTRIC SUPPLY RATE PER KW.**

As a result, t**he difference between Direct Energy's supply rate and PSEG's supply rate will remain exactly the same, as will any savings between the two rates.** Additionally, residents should be aware that while the Direct Energy supply rate per kw remains the same for every month, the PSEG rate increases with higher usage and fluctuates, typically increasing in summer months. In short, residents who remain with Direct Energy will enjoy the exact same financial savings while using 100% renewable energy sources to preserve and protect our environment.