

POWERING

Investment in Better Service

Bill Changes Effective January 1, 2017

As a modern energy company, we consider how energy expenses impact our customers - and strive to serve you with modern conveniences. That's why we've been working to add more stability to electric bills and introduced new services never before available to our customers.

To make sure that you continue to receive reliable power, more stable bills and more convenient customer services, some bill changes have taken effect as of January 1.

Here's what's happening:

- We've moved certain costs within the bill for greater transparency – this change resulted in increased Power Supply Charges, which have been offset by a reduction in Delivery Charges
- The Power Supply Charge has also increased because of rising fuel costs
- A new line item has been added to the bill that will return money to you all year

Incorporating all of the changes, inclusive of creating greater transparency for you – the average residential customer (usage of 762 kWh per month) will experience a change in the January bill of 4.6% or \$6.44. The impact will vary for customers that use more or less energy.

DELIVERING for You



How do we make things work for you? By investing your rate dollars in the energy grid so that it's stronger, more resilient and more reliable, 24/7. In 2016, we:

- inspected, repaired and replaced equipment in hundreds of locations, island-wide – including strengthening or replacing more than 8,500 poles
- trimmed trees along more than 2,600 miles of wires

We've also worked on enhancing your customer experience with big changes in 2016 that included:

- Brand new, mobile-friendly *My Account* online services
- Bill payment by text message
- Enhanced Balanced Billing program for greater stability
- New, interactive and mobile-friendly online outage map

The *Delivery & System Charges* portion of your bill covers the cost of running the energy grid and all of our other services.

POWER Shift

It's important that your bill accurately reflect the various costs to power your home, which includes *Power Supply Charges*. This part of the bill is the cost of the power we purchase for you, so it should have included certain power plant costs that were previously included in the Delivery Charges section. To be more transparent, we've shifted those costs to Power Supply.

This change doesn't impact the total amount of your bill, because the shift increased the price of supply, but reduced the price of delivery by the same amount.

Keep in mind that the cost of the power we purchase for you, like other forms of energy, fluctuates month-to-month. Changes we made last year have already added stability to the price of power supply. However, the price has increased because of rising costs for the fuels used to produce electricity.



FINANCIAL Stability

The *Delivery Service Adjustment (DSA)* is a new line item that provides a better way to account for unpredictable costs that are part of providing you with electric service and have already been part of your bill.

For example, we budget for storm repairs. But a high number of storms can easily lead to extra costs. The DSA would be used to recover those costs as a charge on your bill. But if costs are under budget, the DSA is a credit to return money to you. For 2017, the DSA is a credit and will reduce your bill.



Only the NAME has Changed

The "Efficiency & Renewables Charge" has been renamed the "Distributed Energy Resources (DER) Charge." Sure, it sounds like a fancy utility term, but it more accurately reflects what this charge is for – investment in new, renewable energy technologies and energy-saving programs that further reduce our reliance on fossil fuels. Of course, saving energy also saves money – for you by participating in our energy efficiency programs and for all customers thanks to lower electric system maintenance costs.



Better BALANCED BILLING

Balanced Billing is a free program that's all about electric bill control and stability. In response to customer feedback, we enhanced the program last year so that you'll truly pay the same amount every month. All customers currently enrolled in the program will have the enhanced program automatically as of the start of their new Balanced Billing plan year.



While some of the changes described here are beyond our control, we will always respect the trust you place in us with your energy dollars. PSEG Long Island has operated within our budget for each of the three years we have been serving you. For 2017, our focus on fiscal responsibility, delivering reliable energy and enhancing your customer experience is stronger than ever.