

## PECO Small Commercial FAQs

### What are the different business types?

#### Sole Proprietorship

A **sole proprietorship**, also known as the **sole trader** or simply a **proprietorship**, is a type of business entity that is owned and run by one individual and there is no legal distinction between the owner and the business.

The owner receives all profits (subject to taxation specific to the business) and has unlimited responsibility for all losses and debts. Every asset of the business is owned by the proprietor and all debts of the business are the proprietor's. It is a "sole" proprietorship in contrast with partnerships. A sole proprietor may use a trade name or business name other than his or her legal name.

#### Partnership

A **business partnership** is recognized as a separate and distinct commercial entity. It is comprised of two or more individuals, entities, or combination of individuals and entities. This form of business is normally created under an Agreement among the partners that sets forth the rights and obligations among them. The partnership contracts, borrows, loans and otherwise does business in its own name. In the most basic form of partnership, each partner is fully liable for the acts and obligations of the partnership. More complex forms of partnerships, such as a limited partnership, allow certain partners to limit their liability to the amount of their investment. The term "partnership" is also used to generally describe a relationship in which the entities involved commit to each other to work together exclusively and not to ally with third parties. This is not necessarily a "legal" form of business, but more a manner in which business may be conducted.

#### Corporation

A **corporation** (often identified by "Inc." in its name) is a separate legal entity that has been incorporated through a registration process established by legislation of the State in which it is incorporated (formed). Incorporated entities have legal rights and liabilities that are distinct from their employees and owners. They may be formed to conduct business as either a profit-seeking business or not for profit business in the State in which they are formed. They can register with other states in order to do business in and be recognized as a corporation in those other states. The corporation contracts, borrows, loans and otherwise does business in its own name. In addition to legal personality, registered corporations tend to provide limited liability to their owners who are called shareholders. Shareholders generally have only the money they have invested in the corporation at risk. Each shareholder purchases shares of the corporation and owns the corporation in proportion to the amount of shares he/she owns as compared to the other shareholder(s). If the corporation defaults or goes bankrupt, only the invested amount is at risk, a creditor usually cannot reach beyond the corporation into the private holdings of the individual shareholder. Since a corporation has a legal personality of its own, it survives the death of any shareholder. The shareholders own and run the corporation by electing a board of directors who are responsible to oversee the operations of the corporation. The Board normally hires and appoints officers, such as a President, Secretary and Treasurer who are responsible for the day-to-day management and operation of the corporation. The officers report to the Board of Directors who in turn report to the shareholders. Shareholders can normally transfer or sell their shares to others. Shareholders do not get paid, but can receive dividends from the corporation which are the division of any net profits that the Board decides to return to the shareholders rather than reinvest in the operations of the corporation.

There are other corporation-like forms of entities, the most common of which is a **LLC or limited liability company**. A LLC is a separate legal entity that has been formed through a registration process established by legislation of the State in which it is formed. It is a mix between a corporation and a partnership. The

owners own interests in the same manner shares are owned in a corporation and their liability is limited to their investment in such interests similar to shareholders being limited to their investment in the corporation. Instead of dividends (which are not a deductible expense to the corporation but are taxable income to the shareholder receiving them), a LLC has its net profits divided and distributed among its owners at the end of each fiscal year similar in manner to a partnership.

### **What is an Employee Identification Number (EIN)?**

An **Employer Identification Number** or **EIN** (also known as **Federal Employer Identification Number** or **FEIN**) is the corporate equivalent to a Social Security number, although it is issued to anyone, including individuals, who have to pay withholding taxes on employees. It is also issued to entities, such as states, government agencies, partnerships, corporations, limited liability companies, and any other organization that must have a tax number to report withholding tax, open a bank or brokerage account, or file local, state, federal sales, use, income or other taxes.

### **How can I obtain an EIN?**

- Contact IRS by phone# at 1-800-829-4933
- Contact IRS on the Web at [www.irs.gov](http://www.irs.gov) and go to EIN Online

### **Where can I obtain proof of ownership for a specific property?**

You may obtain a copy of deed information from the county where the property is located. You have the ability to search by address or name. The website will provide you proof of ownership for a specific property. Please obtain a copy of your deed and submit along with your new account application.

From your County:

- Chester [www.checo.org/recorder](http://www.checo.org/recorder)
- Delaware. [www.co.delaware.pa.us/depts/recorder.html](http://www.co.delaware.pa.us/depts/recorder.html).
- Bucks [www.buckscounty.org/government/row\\_office/recorder/deeds](http://www.buckscounty.org/government/row_office/recorder/deeds)
- Montgomery. [www.montcopa.org/rod](http://www.montcopa.org/rod)
- Philadelphia [www.phila.gov/documentrecording/Deeds.html](http://www.phila.gov/documentrecording/Deeds.html)
- York County <http://yorkcountypa.gov/property-taxes/recorder-of-deeds.html>

### **What does an application include and where can I obtain one?**

An application packet includes an application and an instruction page. The instruction page details specific information on what documentation is required for each business type and the steps for obtaining and returning completed applications as quickly as possible.

#### **Applications can be obtained in the following ways:**

- Online at ([www.peco.com](http://www.peco.com)) (is the below the path to the application? If so I would just include as a direct link).
  - Select Customer Service
  - Service Request
  - Start/Stop/Transfer service
  - Select Business Customers
  - Download PDF
- Call 1-800-220-7326 to speak to a Small Business Consultant, who can send an application via fax, email or mail
- Come to our office at 2301 Market St, Philadelphia, PA 19103
  - Hours 8:30 a.m.- 5:00 p.m., Monday through Friday

### **How do I return my application packet?**

An application packet can be returned:

- Email: [PECO\\_webmail@exeloncorp.com](mailto:PECO_webmail@exeloncorp.com).
- Fax: 215-841-3830
- Mail: 2301 market St 4<sup>th</sup> floor Care Center, C/O Small Commercial department.
- In person: 2301 Market St, Philadelphia, PA19103

- Hours 8:30 a.m.- 5:00 p.m., Monday through Friday

### **How do check the status of my application?**

- The approval process is seven (7) business days. If you have questions, please call 1-800-220-7326 to speak to a representative, or email to [PECO\\_webmail@exeloncorp.com](mailto:PECO_webmail@exeloncorp.com).

### **Do I need any other documents submitted with the signed application?**

The following documents are required along with the signed application.

- If submitted via fax/email/mail
  - Signed lease, deed or settlement sheet
  - Federal Tax Identification letter (optional)
- If applying in person
  - Signed application
  - Signed lease, deed or settlement sheet
  - Federal Tax Identification letter
  - Copy of the Partnership Agreement or Incorporation or LLC Papers
  - Two (2) forms of id (1 picture and 1 from the approved list) of each partner/ officers of the corporation.

### **How long does it take to process my application?**

- Any application received without the required documentation will be returned. The application will be returned either by email or mail.
- The timeframe for processing is within seven (7) business days (not including weekends or holidays). Company holidays are:
  - Jan: (New Year's Day, Martin Luther King Day)
  - May: (Memorial Day)
  - July: (Independence Day)
  - September: (Labor Day)
  - November: (Thanksgiving Day, Day after Thanksgiving)
  - December: (Christmas Eve, Christmas Day)

You will be notified if an appointment is required to turn-on gas or electric service or if your application has not been accepted.

**Note: PECO does not light turn on natural gas service for commercial customers. PECO will unlock the meter. The customer will need to hire a contractor to turn on gas service. The customer must provide access to the meters for us to unlock. PECO will unlock outdoor meters but will leave the gas off. A licensed contractor will need to turn on the gas and relight the pilots.**

### **Are there any policies associated with starting service?**

#### **Business Name Match:**

- In order for PECO to process an application the name on the application must **match** the name on the lease, deed or settlement sheet.

- Example: The name on the application is John Doe, and then the name on the lease must also be John Doe. ***If the names do not match the application will be returned and will need to be resubmitted.***
- Doing Business As (DBA):
  - In the case where someone is using a fictitious business name, such as “Trading As” or “Doing Business As” (Ex: John Doe DBA John’s Nails), PECO cannot accept a DBA. The application must either be submitted under John’s Nails, or the person’s name, John Doe. If John’s Nails is used, a copy of the fictitious name filing needs to be provided.
- Service Address Match:
  - In order for an application to be processed the address on the application must match the address on the lease, deed or settlement sheet.
  - If the addresses do not match then the application will be returned.
  - In some cases the address at the property may not match PECO’s records. The addresses were provided to us by local municipalities many years ago and have not been updated with local 911 addresses. In order to match an address to PECO’s records, you can easily obtain service address from a PECO Small Business Consultant by calling 1-800-220-7326 and providing the CSR with the Meter# from the electric/gas Meters.

**How do I locate the meter number?**

- The meter number is a digit number located below meter dials or display. In the below example the meter on the right is a Gas Meter. The meter number is 18-790833
- On the left is an electric meter. The meter number located under the bar is 074798107.



**Are there any costs associated with starting service?**

- Deposits:

- New business customers setting up service for the first time are required to pay a deposit to start service. (How much is the deposit?). The deposit is paid in (3) three installments (50 percent on the first bill, 25 percent on the second bill and 25 percent on the <sup>third</sup> bill). Deposits are refunded after 24 months of on time payments.
- Connection Fee: A connection fee is a one-time fee of \$6.00, which is applied to the first bill when setting up a new account. *New applicants transfers and customers requesting additional service are assessed the connect fee.*

**Are there any programs to help customers choose an alternative supplier?**

- In support of Pennsylvania Electric Choice, PECO has developed PECO Smart Energy Choice. This program provides a discounted rate to customers who choose to purchase the electric they use from a participating competitive electric generation supplier. The discounted rate is 7percent less than PECO's current price to compare for generation charges. To participate in this program, login to My Account and click on My Programs.