

cooperative REVIEW

for members of Southern Maryland Electric Cooperative

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Rate adjustment takes effect

SMECO submitted a revised filing with the Maryland Public Service Commission (PSC) in December 2010 to increase the Distribution Charge, which hasn't changed in three years. Changes are set to take effect this month pending PSC approval.

There are two main components to your electric bills, the Standard Offer Service (SOS) and the Distribution Service.

Adjustment
continued page 2

SMECO employees raised over \$10,000 in 2010, which was donated to Habitat for Humanity on December 20, 2010. The employees of SMECO remain dedicated to giving back to the community where they work and live.



Adjustment

CONTINUED

The SOS Energy Charge covers the cost of power. SMECO makes no profit on energy charges; the cost of

power is simply passed through to customers without any mark-up.

The Distribution Service charges cover the cost of our business operations, including the equipment necessary to bring power to your home or business. These costs are incurred regardless of the quantity of electricity purchased, and include:

- Poles
- Conductors
- Transformers
- Lines
- Vehicles
- Buildings
- Personnel

For residential customers, the Distribution Charge will increase about 7/10 of a cent—less than a penny—from 2.89 cents per kilowatt-hour (kWh) to 3.606 cents per kWh. The adjustment will result in a monthly increase of \$7.16 for someone who uses 1,000 kWh per month, about five percent of the overall annual electric bill, though figures will vary depending on individual usage.

Customer Charge undergoes a name change and Bill Stabilization is added

The Customer Charge will remain unchanged at \$8.60 per month for residential customers, but it will be renamed and will now be called the Facilities Charge. The charge, which has not been changed in 16 years, helps to pay for facilities required to serve customers, including billing and payment processing, and electric service and metering facilities.

In addition, a Bill Stabilization Adjustment that varies each month will appear on bills beginning in March for residential and commercial customers. The PSC authorized the Bill Stabilization Adjustment to help ensure that our revenues to cover fixed costs will not be adversely affected by abnormal weather or energy usage. For months when revenue falls short of an average monthly level, the Bill Stabilization Adjustment will allow SMECO to recover costs more

fully. When revenue exceeds an average monthly level, a credit will be added to your bills. According to Austin J. Slater, Jr., SMECO president and CEO, “We don’t want to charge too much, and we don’t want to charge too little. The Bill Stabilization Adjustment allows us to make small, incremental adjustments when necessary.”

What about commercial customers?

Rate adjustments for commercial customers will also take effect this month. For distribution charges, commercial customers will no longer have a tiered, block rate with the first 8,500 kWh charged one amount and anything over 8,500 kWh being charged another amount. The Distribution Charge will be:

- \$0.02623 per kWh for non-demand customers
- \$0.01102 per kWh for demand customers

Currently, SMECO does not charge for the first 25 kilowatts (kW) of demand; the revised Distribution Charge will be \$4.00 per kW for all kW.

Energy Charge is down

The SOS Energy Charge, which makes up about 65 percent of a residential bill, has decreased over the past year. As a result of SMECO’s management of our power portfolio and the decrease in wholesale power costs, the residential Energy Charge is 1.6 cents less than December 2009, resulting in savings today of almost \$16 for average-use residential customers.

“As an electric cooperative, we have a commitment to meet our customer-members’ need for reliable electric service at the most reasonable cost possible, and we continue to serve more and more customers every year. We are continuously putting new infrastructure in place, upgrading existing substations and power lines, and installing technological improvements. All of this work is to meet one goal, and that is to provide our customer-members with the highest quality of service. This modest increase in the distribution charge will enable us to continue to provide the level of reliability customers expect and to maintain SMECO’s financial integrity,” said Slater.

White Plains lobby is no longer open to the public

SMECO's White Plains operations are being relocated to Hughesville this year. The White Plains building will be closed and sold. As a consequence, SMECO's White Plains lobby is no longer open to the public. There are many easy alternative bill payment options still available following the closing. SMECO does not charge to use any of the available payment options. External fees may apply.

1. Pay by Mail

Mail your check or money order to SMECO at P.O. Box 62261, Baltimore, MD 21264-2261. Be sure to include your bill stub, and write your account number on your check or money order.

2. Pay Online

SMECO's online payment system is available 24 hours a day, seven days a week. Go to www.smeco.coop, then "Log into my account." You will need your account number to enroll.

3. Pay by Phone

Pay with a check, Visa, Discover, or MasterCard by calling Direct Pay at 1-866-528-7757.

4. Pay Automatically

Have your bills deducted automatically from your bank, savings and loan, or credit union checking account, or charge your bills to your Visa, Discover, or MasterCard with SMECO's AutoPay program.

5. Pay through Global Express

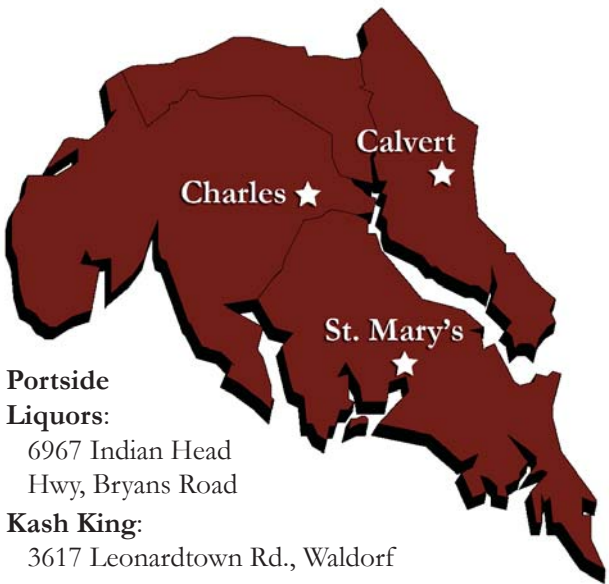
Global Express is a money order and bill payment company that operates out of retail locations throughout Southern Maryland. Look for the sign at your local retailer.

Shoppers Food & Pharmacy:

1000 West Smallwood Dr., Waldorf

Colonial Liquors:

6400 Crain Hwy, La Plata



Portside

Liquors:

6967 Indian Head
Hwy, Bryans Road

Kash King:

3617 Leonardtown Rd., Waldorf

6. Pay at Walmart

Pay your SMECO electric bill at any Walmart with an additional fee as low as 88 cents. Just take a copy of your bill to any Walmart MoneyCenter or Customer Service Desk. You can pay in cash or with a PIN debit card (no checks or credit cards).



7. Pay at a SMECO office

Take your payment to any SMECO office. During regular business hours a cashier will accept your payment. After hours, drop your check or money order in the payment deposit box in Hughesville, Leonardtown, or Prince Frederick.

SMECO offices are open Monday through Friday from 8 a.m. – 4 p.m.

Hughesville: 15035 Burnt Store Road (Rt. 231)

Leonardtown: 23365 Hollywood Road (Rt. 245)

Prince Frederick: 901 Dares Beach Road



The average household dedicates 11% of its energy budget to lighting. Turn off lights when not in use. Wasted energy is wasted money.

— www.energy.state.md.us/Residential/index.html

around **TOWN**

February 7

Pet Loss Candle

Lighting Service

Sponsor: Creature Comfort Program/Washington

Pastoral Counseling Service

8:15 p.m. new attendees, service 8:30 to 9 p.m.

Calvary United

Methodist Church, 3235

Leonardtwn Road,

Waldorf. \$

240-210-6073

February 12

Basket Bingo

Sponsor: St.

Mary's Bryantown School

6 to 11 p.m.

St. Mary's School

13735 Notre Dame

Place, Bryantown

Must be at least 7 years of

age to play. Everyone in

the bingo area must have

a paid admission. Food

available for purchase. \$

301-870-1868



February 12-13

19th Annual Antique

Show & Sale

Sponsor: La Plata High School Band Boosters

Sat. 10 a.m. to 5 p.m.

Sun. 11 a.m. to 4 p.m.

La Plata High School

6035 Radio Station Rd.

Door prize and

refreshments will be

featured. \$

301-259-2411

lphsbandboosters.com

February 12-14

Singing Valentine

Sponsor: Calvert Hospice

2/12 & 2/13, evening only;

2/14, all day. Any location

in Calvert County.

The Fathers and Sons

quartet will serenade your

loved one anywhere in

Calvert County.

301-855-2724 or

410-257-7814

calverthospice.org



Visit www.smeco.coop/community/aroundtown for more events.



February 15
President's Day

SMECO offices closed, SMECO's Call Center is open 24/7, at 1-888-440-3311.

February 18
Steak & Shrimp Dinner

Sponsor: American Legion Post # 221

5 to 8 p.m.

21690 Colton Point Rd., Avenue

The menu includes New York strip steak, steamed shrimp and burgers. Eat-in or carryout service

301-769-4346

(the day of the event)

February 26

Southern Maryland Basket Bingo

Sponsor: Grand Guardian Council of Maryland — Job's Daughters International

Doors open at 4 p.m.

Bingo starts at 5 p.m.

American Legion Hall #238, 6265 Brandywine Rd, Hughesville

Participants who order tickets before February 19, 2011 will be entered in a special door prize drawing. All participants will be eligible to win door prizes. \$

410-286-5280

www.mdjobsdaughters.org

www.mdjobsdaughters.org

www.mdjobsdaughters.org

Need to report an outage?

1-877-74-SMECO
(1-877-747-6326)

Smart meter pilot to launch in March

You've heard of smart meters, now they are coming to Waldorf! Advanced Metering Infrastructure (AMI) technology has the potential to help us save money, provide customers with more useful information regarding energy use, and respond more efficiently to power outages. AMI technology provides two-way communications with advanced meters that have capabilities standard meters do not, such as voltage monitoring, outage detection, and on-demand meter readings.

SMECO has initiated the first phase of the AMI pilot project, which includes installation of 1,000 meters in homes and businesses in a pre-selected area of Waldorf. Customer-members whose home or business falls inside the defined pilot area will receive a letter in February to notify them that SMECO will be on site in March to exchange the meter. The new meters will not look much different than what you are used to seeing.

Participation in the pilot will be limited to the selected area and will not require an active role from the affected customer-members. Members who are in the pilot area will receive the same level of service and a regular monthly bill. For several months following installation of the meter, a meter reader will visit each location to monitor the operation of the unit and manually read the meter.

This first phase will allow us to assess AMI capabilities and quantify benefits, including reduced costs for meter reading, reduced customer visits, and improved operational efficiency. SMECO intends to expand the trial to 10,000 homes in the next phase.