



SMECO

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2010

# “When Southern Maryland gets hit by extreme weather conditions and customer-members are affected by widespread outages, SMECO is more than ready to meet the challenge.”



## Letter from the Chairman of the Board Joe Stone and the President and CEO Joe Slater

Whether it's because of the economy, politics, sports, or entertainment, people follow the news. As an electric utility, the most important news SMECO follows is the weather. Weather significantly impacts our industry.

The cold temperatures of winter and the hot temperatures of summer translate into energy use for customers who heat and cool their homes and businesses. SMECO's revenues are also tied to the weather, because high energy use months are usually the months when revenue increases.

The most noticeable effects of weather are the power outages that occur as a result of severe storms, high winds, ice, and snow. We experienced record snowfalls in late 2009 and early 2010—more snow than any winter since 1884, when records for snowfall started being kept. We were fortunate that outages were manageable, and power was restored within a couple of days following the blizzard of early February. We

worked quickly, efficiently, and, most important, safely.

Following the cold temperatures and high usage months of winter, we launched our EmPOWER Maryland programs to help customer-members save energy and save money. The Quick Home Energy Check-up and the other programs were well-received. Many customers can't comprehend how they can use so much energy, and SMECO's call center takes more calls regarding high bills in winter months than any other time of the year.

To help customers better understand their energy bills, smart meters, in conjunction with advanced metering infrastructure (AMI) and a meter data management system (MDMS), can provide hourly energy use data—information that will educate residential and business customers about how they use energy. During 2010, we reviewed multiple vendors and selected Sensus to install our smart meters at three naval facilities, including the Patuxent River Naval Air Station, along with about 850 homes and businesses in St. Charles. We spent the year preparing for this project and installed the first four smart meters on March 3, 2011.

Although weather can be unpredictable, utilities are using more energy created by the wind and sun than ever before. We began taking power from the Stony Creek wind proj-

ect on May 5. Under an 18-year contract, we are purchasing energy from 35 wind turbines located near Somerset, Pennsylvania—just 150 miles north of SMECO's service area.

October 31 marked the end of the Load Management program that began in 1982. The program saved millions of dollars over 28 years by reducing peak demand in summer and winter. CoolSentry has taken its place and offers a programmable thermostat along with \$50 in credits each year for customers who help to reduce demand during summer months. Customer participation in the new program has thrived, in part because the old program was so successful.

Our crews took a page from the past to undertake a re-conductoring job this year. The Naval Research Lab at Blossom Point, located in western Charles County, will soon have new radar equipment installed. To ensure that our equipment can handle the resulting increase in electrical load, we re-conducted a main feeder out of our McConchie substation. This project gave our linemen the chance to participate in work that our crews have not done in about 15 years, but we believe it will help us prepare for the future.

To be better prepared for the future is the major reason we are constructing a new building in Hughesville. In 2009, we received Board approval to build

an eco-friendly facility and awarded contracts for construction. Construction was delayed because of the amount of rain and snow in 2009—and more snow in early 2010—but we received a Charles County building permit on March 11, 2010, and we made great progress on the facility during the year. Geothermal wells for heating and cooling, access roads, water storage tanks, power lines, and telecommunications cables were installed—along with the building's floor, roof, and walls. When completed, personnel in our engineering and operations department, our operations center, and our call center will move to the facility.

Crews and personnel from our White Plains office will also move to the new facility in Hughesville. The White Plains office opened in 1968; we closed the lobby to the public on December 30, 2010. Although the White Plains facility served the Charles-Prince George's region well for more than 40 years, the Hughesville facility will be state-of-the-art. The new facility will accommodate more people, more equipment, more trucks, and more storage. In the future, when Southern Maryland gets hit by extreme weather conditions and customer-members are affected by widespread outages, SMECO will be more than ready to meet the challenge.

**Joseph V. Stone, Jr.**  
Chairman of the Board

**Austin J. Slater, Jr.**  
President and CEO

## Hewitt resigns; White is selected

SMECO's Board of Directors selected P. Scott White to complete the term of director Francis E. Hewitt, who resigned on December 15, 2009. Hewitt represented St. Mary's County on SMECO's Board since 1978. During his tenure, SMECO's customer base increased from 54,000 to 147,000.

## Bailey resigns; Cullins is selected

SMECO's Board of Directors selected William R. Cullins, III to complete the term of director Samuel "Bo" Bailey, who resigned on November 16, 2010. He represented St. Mary's County on SMECO's Board since 1977.

## SMECO recognized as a great place to work and do business

SMECO was ranked 27th in the third annual Gazette of P&B (Politics & Business) Exceptional 53 awards, which is a list of the great places to work and do business in Maryland. Companies are judged based on organizational growth, innovation, and community service. The companies include private, public, profit, and non-profit companies, but they have to be based in Maryland and in business for at least three years. SMECO stood out for its dedication to promoting employee health and extensive community involvement.

## New rates set for January 2011

Distribution Service charges cover the cost of the Co-op's business operations. For residential customers, the Distribution Charge increased 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 resulted in a monthly increase of \$7.16 for someone who uses 1,000 kWh, about five percent of the overall annual electric bill, though figures will vary depending on individual usage. In January 2011, the Customer Charge, which remains unchanged at \$8.60 per month for residential customers, was renamed and identified as the Facilities Charge.

# Save energy and save money with SMECO

The Public Service Commission approved SMECO's EmPOWER Maryland programs in 2009, and the lighting program took off with a bang in November. With very little advertising, other than our website, Facebook page, and in-store promotions, local retailers sold close to 400,000 compact fluorescent lights (CFLs) by the end of 2010. Getting these energy-efficient lights into the homes of our customer-

members will help them save energy and save money.

We launched more programs under the EmPOWER Maryland umbrella in 2010. The appliance rebate program offers \$50 rebates for ENERGY STAR qualified washing machines and refrigerators. We have issued 2,861 rebates for clothes washers and 2,169 rebates for refrigerators. Customer-members who have old working refrigerators or freezers can receive \$50 for recycling them. We recycled 1,932 refrigerators and freezers in 2010.

Our flagship program is the Quick Home Energy Check-up. The Public Service Commission felt this program would provide the greatest benefit to the greatest number of residents and required the utilities to accelerate this program offer. We completed 1,139 Check-ups in 2010.

reductions will grow, and the savings will increase as well.

## Beating the heat with CoolSentry

The summer of 2010 delivered extreme heat and long periods of humid, hot, and hazy days. In July, SMECO's customer-members faced 18 days of 90-plus degree heat—putting extra pressure on the air conditioning units and heat pumps of Southern Maryland, and exponentially increasing the demand for power. Peak demand times occur when everyone uses a lot of electricity at the same time.

Thanks to the 20,000 customer-members who were participating in the CoolSentry program, SMECO was able to offset the increased demand and beat down our peak usage, achieving an estimated savings of \$840,000 during the summer. This savings is passed back to customer-members through the Power Cost Adjustment (PCA). As participation increases, the megawatt

reductions will grow, and the savings will increase as well.

## Load management program ends

The Load Management program that SMECO started as a pilot in 1982 officially ended October 31, 2010. SMECO's CoolSentry program was launched at the 2008 Annual Meeting as an alternative method to reduce peak usage during summer months.

### FACTS & FIGURES

#### Years Ended December 31, 2010 and 2009

|  | 2010             | 2009             |
|--|------------------|------------------|
| Miles of line in service   | 10,503           | 10,202           |
| Number of meters in place  | 149,215          | 147,690          |
| Average number of members per mile                                       | 14.2             | 14.5             |
| Average number of new connections per month<br>(net of retired services) | 127              | 217              |
| Total Megawatt-hour sales  |                  |                  |
| Residential  | 2,216,406        | 2,051,179        |
| Commercial   | 1,136,246        | 1,109,580        |
| Street lights  | 5,897            | 5,415            |
| Public authorities   | <u>204,230</u>   | <u>199,172</u>   |
| Total sold to members  | 3,562,779        | 3,365,346        |
| Property taxes (in thousands)  |                  |                  |
| Calvert County   | \$ 872           | \$ 845           |
| Charles County   | 3,715            | 3,893            |
| Prince George's County — Combustion turbine                              | 142              | 147              |
| Prince George's County — Other facilities                                | 501              | 518              |
| St. Mary's County  | <u>1,626</u>     | <u>1,615</u>     |
| Total property taxes paid and accrued                                    | \$ 6,856         | \$ 7,018         |
| RDUP, CFC, CoBank, NCSC, and FFB* loans to date<br>(in thousands)        |                  |                  |
| Total amount of loans approved   | \$ 617,681       | \$ 617,681       |
| Total amount drawn on loans  | 580,432          | 528,242          |
| Less total amount repaid on loans  | <u>(258,092)</u> | <u>(236,863)</u> |
| Total due RDUP, CFC, CoBank, NCSC, and FFB                               | \$ 322,340       | \$ 291,379       |
| Payments made (in thousands)   |                  |                  |
| Principal  | \$ 33,035        | \$ 13,262        |
| Interest and other fees  | \$ 14,495        | \$ 15,594        |

\* RDUP: Rural Development Utilities Programs; CFC: National Rural Utilities Cooperative Finance Corporation; CoBank: CoBank, ACB; NCSC: National Cooperative Services Corporation; FFB: Federal Financing Bank.

# SMECO signs on to Stony Creek

Under separate purchased power agreements, SMECO and Old Dominion Electric Cooperative agreed to purchase energy for the next 18 years from the Stony Creek wind project. The project, located near Somerset, Pennsylvania, began commercial operation in the fall of 2009 and is owned and operated by a subsidiary of E.ON Climate and Renewables.

The 35 Stony Creek wind turbines have a total possible output of 52.5 megawatts. SMECO's share of the energy produced will provide about 1.6 percent of the Co-op's total energy load. All utilities in Maryland are required to procure a certain amount of renewable energy. The energy SMECO purchased from the Stony Creek project was expected to fulfill about 44 percent of the Co-op's tier one renewable energy credit requirements in 2010 and 34 percent in 2011.

We began taking power from the project on May 5 and were very excited to be working with the National Renewables Cooperative Organization (NRCO). SMECO is a founding

member of NRCO, and they worked with the developer to bring this project to the table and assisted with the contract negotiations.



## Avian protection is an environmental priority

As a cooperative, our priorities include concern for the community. One of the ways we protect our environment is to install alternative nesting locations for local ospreys, a protected bird of prey. On August 13, linemen arrived at Jefferson Patterson Park and Museum to install two osprey platforms

for birds who had built their nest atop the paint booth exhaust chimney.

SMECO installed the poles and platforms and recommended placing a deterrent on the chimney to persuade the ospreys to relocate their nest and to keep them from rebuilding on the chimney in the future.

### Statements of Revenue, Expenses and Patronage Capital Years Ended December 31, 2010 and 2009

(in thousands)

|  | 2010              | 2009              | Increase<br>(Decrease) |
|--|-------------------|-------------------|------------------------|
| <b>Operating Revenue</b>   |                   |                   |                        |
| Sales of electricity   | \$ 482,248        | \$ 453,921        | \$ 28,327              |
| Lease income — combustion turbine  | 2,773             | 3,086             | (313)                  |
| Other  | 7,646             | 5,652             | 1,994                  |
| Total operating revenue  | <u>492,667</u>    | <u>462,659</u>    | <u>30,008</u>          |
| <b>Operating and Interest Expenses</b>                                   |                   |                   |                        |
| Purchased power  | 354,885           | 349,495           | 5,390                  |
| Transmission   | 3,247             | 2,697             | 550                    |
| Distribution — operation and maintenance                                 | 23,785            | 22,834            | 951                    |
| Customer accounts, service and information                               | 12,761            | 9,500             | 3,261                  |
| Administrative and general   | 28,422            | 25,506            | 2,916                  |
| Depreciation and amortization  | 27,175            | 25,128            | 2,047                  |
| Taxes (property, sales, payroll, etc.) and other                         | 10,594            | 10,281            | 313                    |
| Interest on long-term debt and other interest                            | 17,710            | 16,204            | 1,506                  |
| Total operating and interest expenses                                    | <u>478,579</u>    | <u>461,645</u>    | <u>16,934</u>          |
| Net operating margins  | 14,088            | 1,014             | 13,074                 |
| Nonoperating income (interest earned, rent, patronage allocations, etc.) | 2,966             | 2,235             | 731                    |
| Net margins  | <u>\$ 17,054</u>  | <u>\$ 3,249</u>   | <u>\$ 13,805</u>       |
| Patronage Capital, Beginning of Year                                     | \$ 142,659        | \$ 140,354        | \$ 2,305               |
| Net Margins  | 17,054            | 3,249             | 13,805                 |
| Distribution of Capital Credits  | (901)             | (944)             | 43                     |
| Patronage capital, end of year   | <u>\$ 158,812</u> | <u>\$ 142,659</u> | <u>\$ 16,153</u>       |

# AMI Vendor Selected

We selected Sensus as the technology provider for our advanced metering infrastructure (AMI) and smart metering project. The project will feature the Sensus FlexNet™ AMI network and Sensus “iCON® A” electric meters equipped with ZigBee. ZigBee is a standardized wireless platform that supports direct communications with the customer.

The smart meters report hourly usage, automatically send notification if power is out, record histories of events such as low voltage and momentary interruptions, provide flexible meter reading options, and more.

The project launched in the first quarter of 2011 with 850 homes and businesses in Waldorf and 1,500 services at Patuxent River Naval Air Station, Webster’s Field, and Solomons Recreation Center. SMECO will use the project to quantify the operational benefits of smart meters, such as using two-way communications for meter reading and reducing the number of unnecessary site visits. SMECO plans to expand the trial to 10,000 homes in subsequent phases followed by system-wide deployment.

Technological innovations assist us with our efforts to better serve customers



and provide the tools that will allow customers to better manage and monitor their own energy use. The system provides two-way communications from the meter to the utility to support meter reading and real-time notification of power outages, and that will help us improve response times and restore service to customer-members more quickly.

## Meter Data Management is an important component of AMI

When we install smart meters as part of our advanced metering infrastructure (AMI) system, we will need a meter data management system (MDMS) to collect all the data the meters will transmit. We currently capture 150,000 kWh meter readings each month.

With AMI, we will need to capture 108 million kWh meter readings per month.

An MDMS must interface with AMI and with other computer systems, especially the Customer Care & Billing system we use for customer billing. The MDMS will

supply the data that our customers and customer service representatives will use to review energy use, so the design of the web portal is important. We want the information we present to customers to be comprehensive, easy to understand, and useful.

## Members Helping Members launches

We have transformed our Project Match program, which was more than 20 years old, into Members Helping Members.

Customer-members may enroll in the program to have \$1 automatically added to their electric bill each month. Their contribution will help less fortunate Co-op members pay their electric bills.

This is a year-round program; customers can opt in any time and opt out anytime. To enroll, customers can call in or sign up online and add \$1 to their monthly bill. They can also mail a check or make a contribution in any amount, as often as they wish. Tri-County Community Action Committee administers the program. Each month, SMECO forwards contributions to Tri-County. For 2011, SMECO is matching member contributions up to a total of \$25,000.

### BALANCE SHEETS

December 31, 2010 and 2009

(in thousands)

|   | 2010              | 2009              | Increase<br>(Decrease) |
|---|-------------------|-------------------|------------------------|
| <b>Assets (What we own)</b>                       |                   |                   |                        |
| Cash and temporary investments                    | \$ 9,596          | \$ 4,617          | \$ 4,979               |
| Accounts receivable, net                          | 55,201            | 60,448            | (5,247)                |
| Materials and supplies inventory                  | 10,038            | 8,247             | 1,791                  |
| Prepaid, deferred, regulatory and other assets    | 76,049            | 41,987            | 34,062                 |
| Investments in associated organizations and other | 13,704            | 14,213            | (509)                  |
| Net utility plant                                 | 466,728           | 440,827           | 25,901                 |
| Nonutility property                               | 1,615             | 1,622             | (7)                    |
| Net financing lease, combustion turbine           | 19,047            | 21,556            | (2,509)                |
| Total assets                                      | <u>\$ 651,978</u> | <u>\$ 593,517</u> | <u>\$ 58,461</u>       |
| <b>Liabilities (What we owe)</b>                  |                   |                   |                        |
| Accounts payable and other accrued liabilities    | \$ 117,750        | \$ 113,312        | \$ 4,438               |
| Notes payable                                     | 70,124            | 62,877            | 7,247                  |
| Customer deposits                                 | 4,216             | 4,047             | 169                    |
| Deferred credits                                  | 8,198             | 7,325             | 873                    |
| Long-term debt                                    |                   |                   |                        |
| RDUP  | 168,835           | 184,293           | (15,458)               |
| CFC   | 27,743            | 30,792            | (3,049)                |
| CoBank  | 45,700            | 45,210            | 490                    |
| NCSC  | 14,565            | 16,902            | (2,337)                |
| FFB   | 65,497            | 14,182            | 51,315                 |
| Other   | —                 | 189               | (189)                  |
| Total liabilities                                 | <u>522,628</u>    | <u>479,129</u>    | <u>43,499</u>          |
| <b>Members' Equity (Net worth)</b>                |                   |                   |                        |
| Capital and accumulated margins                   | 164,993           | 148,356           | 16,637                 |
| Accumulated other comprehensive (loss) income     | (35,643)          | (33,968)          | (1,675)                |
| Total liabilities and members' equity             | <u>\$ 651,978</u> | <u>\$ 593,517</u> | <u>\$ 58,461</u>       |

# Snow by any other name...

**Snowpocalypse.  
Snowmageddon.  
Snowverkill.**

Whatever you want to call it, we had had enough! The newscasters claim we had more snow in our area during the 2009–2010 winter than any winter since 1884, when we started recording snowfall. It certainly felt like it.

Although we had a couple of snowstorms in December and January, we didn't experience any major outages. The snows were light and fluffy and didn't weigh down tree branches. Unfortunately the early February storm was different.

Before the first storm hit on Friday, February 5, SMECO crews, contractor crews, and crews on loan from other Cooperatives were on standby. A majority of the outages that crews repaired were caused by tree branches loaded with ice and snow that fell onto power lines. Most of the falling trees affected only lines, but others caused utility poles to break. In many cases, linemen were forced to wade through



hip-deep snow and battle blowing wind to reach trouble spots, hauling the necessary equipment and climbing poles to repair lines because the rights-of-way were blocked to vehicles. Crews worked diligently to restore power even as the next storm loomed.

All storm-related outages from the first blizzard were restored by 10 p.m. Monday night, prior to the next wave of snow. The second storm's high winds caused white-out conditions. For a period of time, even snow plow drivers were grounded, and linemen were restricted from going up in the bucket trucks to complete repairs. Because of the many harrowing conditions and set-backs, SMECO had a total of 11,824 customers affected by outages at



the peak. There were a total of 1,232 incidents from February 5 to February 11. Thanks to the hard work of 45 SMECO crews, 10 crews from Pike Electric Corporation, 10 Penn Line crews and two crews from cooperatives in Virginia, 42 percent of the incidents were restored in under four hours, 58 percent in under eight hours, and 85 percent within one day.

All storm-related outages were resolved by Wednesday, February 10, and SMECO was back to normal operations.

We received a multitude of

thank you notes from our Facebook fans and on somd.com forums. But here's one you won't see online, and it is the truest testament to our dedicated workforce. It's from Roger Whitacre, Vice President at ARCOS, the company which provides our callout system for our crews:

"This has got to be some sort of record! Late Friday night you filled 8 positions on a callout in one minute and 17 seconds! Wow! I've seen a lot of companies get 4, 5, or 6 in about that time, but never 8 out of 8 requested."



## SMECO holds 72nd Annual Meeting

More than 1,500 people turned out for SMECO's 72nd Annual Meeting on September 1, 2010, which was the second time that SMECO held the Annual Meeting at the Blue Crabs Regency Furniture Stadium in Waldorf.

The Co-op had 1,045 members register to vote, with 204 of them voting by absentee mail-in ballot. Incumbents were re-elected for three-year terms to SMECO's Board: W. Michael Phipps of Calvert County; Gilbert O. Bowling and Richard A. Winkler of Charles County; James A. Richards of Prince George's County; and P. Scott White of St. Mary's County.

## SMECO Board of Directors



**Board Officers:** (seated) from left: Fern G. Brown, Secretary-Treasurer, *Charles County*; Samuel J. Hammett, Vice Chairman, *Calvert County*; Joseph V. Stone, Jr., Chairman, *St. Mary's County*; and Kenneth L. Dyson, Assistant Secretary-Treasurer, *Charles County*.

**Directors:** (standing) from left: Gilbert O. Bowling, *Charles County*; John H. Bloom, *Charles County*; P. Scott White, *St. Mary's County*; J. Douglas Frederick, *St. Mary's County*; W. Rayner Blair III, *St. Mary's County*; Richard A. Winkler, *Charles County*; Daniel W. Dyer, *Prince George's County*; Nancy W. Zinn, *Calvert County*; William R. Cullins III, *St. Mary's County*; James A. Richards, *Prince George's County*; and W. Michael Phipps, *Calvert County*.



## Construction of New Building Underway

With a staging area for outages and other emergency situations, SMECO's new facility in Hughesville will become the linchpin of the Co-op's operations. As the nerve center, it will be technically efficient and provide us with the ability to work more effectively.

We received our building permit from Charles County on March 11. We also received the development services permit, which allowed us to work on additional tasks within the construction area, such as the culvert for the main entrance.

On March 17, we began the process for cutting out a new road, implementing sediment and erosion controls, tree removal, and clearing. By the end of 2010, the new facility was about 30 percent complete. Concrete footers

and pads for the building were poured, structural steel had been set, pre-cast walls were set, roofing was in place, interior work for plumbing, HVAC, and electrical was roughed in, and tanks storing 120,000 gallons of water for fire suppression were buried.

The facility is designed to meet the Gold standard of the Leadership in Energy and Environmental Design (LEED) Green Building Rating System. The warehouse heating and cooling system features radiant heat tubing under the slab floor. Environmentally friendly and energy efficient features include an energy recovery system, pervious concrete, skylights, LED parking lot lights, daylight harvesting, storm water management, rain gardens, and protection for nearby wetlands.

With 88,000 square feet of office space, 77,000 square feet of warehouse and truck storage, 17 acres of yard storage to house materials, and constructed to withstand 130-mile-per-hour hurricane-force winds, this facility was designed to preserve a secure environment and play a major role in SMECO's ability to maintain reliable service for its customers.

### Geothermal System in New E&O Building

In its new facility, SMECO will have a geothermal heating and cooling system that is probably the largest in the state.

SMECO's system has 285 loops that are 300 feet deep: a total of 171,000 feet of pipe. The well loops are tied together with 12 pipes, which

go into a vault housing a large manifold which supplies two eight-inch supply and return lines to the building. Two circulating pumps that handle 1,620 gallons per minute will be located on the mezzanine over the top of the warehouse area. The loop piping will circulate through the five main water source heat pumps in the main mechanical room, to create chilled water and heating water for the five air handler units that provide heating and cooling for the common areas like the auditorium and wellness center. Additional piping will traverse the building through 47 smaller water source heat pumps that are in the office and raised floor areas to allow for more control of individual areas.

## SMECO President and Vice Presidents



From left: Kenneth M. Capps, Senior VP, Engineering and Operations, and COO; Sonja M. Cox, Senior VP, Financial, Economic, and Employee Services, and CFO; Austin J. Slater, Jr., President and CEO; Mark A. MacDougall, Senior VP, External Affairs, and General Counsel; and Joseph Trentacosta, Senior VP, Information and Customer Services, and CIO.

## SMECO awarded Gold status

The American Heart Association awarded SMECO a Start! Fit Friendly Company award at the Gold level. Health care is not just about caring for the sick or about how much money it will cost; it's about focusing on how to keep healthy and prevent illness. Research shows that every dollar companies spend on prevention produces \$3.50

in savings from reductions in absenteeism and health-care costs.

Getting employees to focus on better health and nutrition is the goal of all Fit-Friendly companies. Gold status is conferred upon companies that meet criteria for fitness, nutrition, and a health-focused workplace culture.

## SMECO wins third award

For the third consecutive year SMECO was recognized by J.D. Power for the highest customer satisfaction rating among utilities in its class. As a cooperative, SMECO is compelled to work together with its members to achieve shared customer satisfaction goals.



# SMECO receives FONSI for Reliability Project

We accomplished a major milestone for the 230-kV Southern Maryland Reliability Project when we received a Finding of No Significant Impact (FONSI) from the Rural Utilities Service (RUS) for the Environmental Assessment (EA). Obtaining the FONSI from the RUS was also a condition of the Public Service Commission in its approval of the Certificate of Public Convenience and Necessity.

The legal notice authorized by the RUS states the following: Based on its EA, RUS has concluded that the proposal would have no significant impacts to water quality, wetlands, the 100-year floodplain, land use, aesthetics, transportation, or human health and safety. The proposal will have no adverse effects on historic properties listed or eligible for listing on the National Register of Historic Places. RUS has also concluded that the proposal is not likely to affect federally listed threatened and endangered species or designated critical habitat. The proposal would not disproportionately affect minority and low-income populations.

Obtaining the FONSI was a two-year process, beginning with open houses and a scoping meeting held in the summer of 2008, which customer-members were invited to attend. Clearing this hurdle gave us the green light to continue with the final permitting, engineering, procurement, and construction of the 230-kV line through Calvert and St. Mary's counties.

## Taking a page from the past

In 2010, we took a page from our past and undertook a project that gave our linemen the chance to do work that our crews haven't done in about 15 years.

The Naval Research Lab at Blossom Point is located near Welcome in western Charles County. New radar equipment will be installed at the facility in the summer of 2011. Because of the new equipment, the electrical load will increase. To ensure that SMECO's equipment has the capacity to fully serve the load at the base, we re-conducted a main feeder along Blossom Point Road out of

the McConchie substation: three miles of overhead line and almost a mile of underground cable.

For about the past 15 years, we have been using contractors to do this type of work, so this will be a learning process for everyone involved. Crews from the different regions participated, combining their efforts and using personnel as their workload permitted. Our experienced linemen became re-acquainted with the equipment, reviewed their techniques, and sharpened their skills, while they helped to train newer linemen.

## 811 night at Blue Crabs

SMECO helped to promote "811" night at the Blue Crabs baseball stadium on August 11. More than 100 people took advantage of the special \$8.11 ticket offer designed to improve awareness of the 811 phone number for Miss Utility.

## aroundTOWN

Visit [www.smeco.coop/community/aroundtown](http://www.smeco.coop/community/aroundtown) for more events.

### June 4

#### Point Lookout

#### Lighthouse Open House

Sponsor: Point Lookout Lighthouse Preservation Society  
10 a.m. to 2 p.m., Scotland  
Docents will be on hand to answer your questions. No charge to enter the lighthouse, however standard park entrance fees apply  
301-872-5688  
[www.PLLPS.org](http://www.PLLPS.org)

#### National Trails Day

#### Fun Run and Walk

Sponsor: Chesapeake Bay Running Club

Register at 7 a.m., race starts at 8 a.m., Historic St. Mary's City. A 5K Fun Run and Walk on the peaceful trail that runs through woods and fields, and along Milburn Creek and the St. Mary's River. **\$ Fee.**  
240-895-4990  
[www.stmaryscity.org/events.html](http://www.stmaryscity.org/events.html)

#### St. Mary's County Fair

#### Association Indoor Flea Market

Sponsor: St. Mary's County Fair Association  
8 a.m. to noon, St. Mary's County Fairgrounds. Vendors and crafters welcome.  
301-475-9543

### June 12

#### St. Mary's County Crab Festival

Sponsor: Commissioners of Leonardtown  
11 a.m. to 5 p.m.  
St. Mary's County Fairgrounds  
Local crabs, seafood, music, crafts, antique, and classic cars.  
**\$ Admission.**  
[www.stmaryscrabfestival.com](http://www.stmaryscrabfestival.com)

#### Sounds of Tomorrow

Sponsor: The Sanford Concert Series  
7:30 p.m.  
St. Andrew's Episcopal Church, 44078 St. Andrew's Church Rd., California  
Winner of "The Sounds of Tomorrow" audition will be

presented in a formal recital followed by a reception where each recitalist will be presented with an honorarium.  
**\$ Admission.**

301-862-9541  
[sanfordconcertseries.com](http://sanfordconcertseries.com)

### June 14

#### Flag Day Celebration

Sponsor: Commissioners of Leonardtown  
6 p.m., Governmental Center  
301-475-4200, ext. 1341

### June 18

#### Gala in the Garden

Sponsor: Historic Sotterley, Inc.  
5:30 p.m., Sotterley Plantation, Hollywood.  
Hot jazz, cool breezes, palate pleasers, live and silent auctions. **\$ Admission.**  
Reservations required.

301 373-2280  
[www.sotterley.org](http://www.sotterley.org)

#### Two Rivers Harmony in Concert

Sponsor: The Sanford Concert Series

7:30 p.m., St. Andrew's Episcopal Church, 44078 St. Andrew's Church Rd., California. Composed of 10 women from Southern Maryland, the concert will feature both sacred and secular selections.

**\$ Admission.**

301-862-9541  
[sanfordconcertseries.com](http://sanfordconcertseries.com)

### June 25

#### Mid-Summer Faire

11 a.m. to 4 p.m.  
Historic St. Mary's City  
Commoners and gentry are invited to a day of 17th Century merriment with hands-on games, music, and entertainment inspired by Maryland's colonial past. Bring the children and try your hand at contests, wooden-horse jousting, races, jugglers, spinning and much more!

**\$ Admission.**

240-895-4990  
[www.stmaryscity.org/events.html](http://www.stmaryscity.org/events.html)