

cooperative **REVIEW**

for members of Southern
Maryland Electric Cooperative



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Elaine Morgan of Hollywood won the used SMECO vehicle at the 2015 Annual Members' Meeting on September 2, 2015. Read more on page 8.

Rate adjustment filed with PSC

SMECO filed a request in September with the Maryland Public Service Commission to restructure and increase its Distribution Service rates. This is the first such request in more than five years. If approved, the rates are expected to take effect in March 2016, and the overall impact on all SMECO's customer-members will be a 4.45 percent increase. With our continued success in purchasing attractively-priced power that decreased Standard Offer Service (SOS) energy charges over the past year, SMECO residential customers will still be paying about \$17 per month less than last summer.

Customer bills have two main components, the Standard Offer Service and the Distribution Service. SMECO's filing proposes to change the Distribution Service charges—a measure designed to help harden the Cooperative's delivery system and enhance service reliability. The Distribution Service component of the bill represents the investment SMECO makes in utility equipment, poles, transformers, and conductor, as well as employees, vehicles, and facilities: all necessary to carry electricity to your home.

To ensure our customer-members receive reliable service, SMECO has undertaken some major construction projects in the past five years. The Cooperative's Southern Maryland Reliability Project, which was completed in November 2014 at a cost of \$108 million, epitomizes SMECO's focus on maintaining the highest standard of reliable service for customer-members. The 230-kilovolt loop through our service territory was first envisioned by our former colleagues in the early 1970s, and we expect it to provide enough capacity to see us through the next 50 years.

The other component of the bill, SOS, together with the Power Cost Adjustment, covers the cost of power. That portion of the customer bill has decreased over the past few years, hitting a 10-year low in June 2015. SMECO makes no profit on Standard Offer Service. The wholesale price that SMECO pays for power is passed on to customers without any mark-up. SMECO's reduced power costs have resulted in savings this summer of more than \$28 a month for average-use residential customers compared to last summer. SMECO's distribution rate filing does not affect the SOS portion, which makes up about 60 percent of the average residential customer bill.

SMECO's rate filing proposes a Distribution Charge of \$0.04367 (4.367 cents) per kilowatt-hour (kWh), about $\frac{3}{4}$ of a cent per kWh more than the current Distribution Charge of \$0.03606 (3.606 cents) per kWh for residential customers. SMECO is also filing to adjust the Facilities Charge, currently \$8.60 per month, to \$10.75 per month; the Facilities Charge has not changed in more than 20 years.

SMECO's rate filing also calls for a decrease in the Distribution Charge to \$0.0415 (4.15 cents) per kWh in the following year, to offset a step increase to the Facilities Charge to \$13.44 per month. The rate structure changes are designed to bill more fixed costs at a fixed rate, rather than a variable rate.

We know customers are sensitive to cost increases, and SMECO works hard to keep rates low. Coupled with SMECO's efforts to contain costs and purchase low-cost reliable power, customer-members can

also manage their electric bill by taking advantage of the variety of energy saving programs we offer.

As a non-profit electric cooperative, revenue from our customers' bills generates the working capital required to continue providing the most reliable service possible. Net margins not required for working capital are passed back to our customer-members in the form of Capital Credits.

SMECO's goal from the beginning has been to bring our customer-members—our owners—reliable electric service at a reasonable rate. As the infrastructure is replaced and expanded, SMECO continues to focus on providing that reliability.



SMECO sells Prince Frederick office

On July 21, 2015, the Calvert County commissioners voted 5 to 0 to move forward with the purchase of SMECO's Prince Frederick office building and property. Further steps were taken on August 4, when the commissioners also voted unanimously to adjust the budget to cover the purchase price of \$2.6 million.

The purchase includes approximately 20 acres and a 14,000-square-foot office building.

County officials plan to use the space as a community center, expected to open for community use in November 2015, and eventually as office space for county government employees.

New tool helps you decide if solar is right for you

SMECO now has an online, self-service tool—WattPlan—that will help customers who are interested in installing solar panels and a net meter. This tool provides an estimate of a home's potential for a rooftop solar array, including an estimate of the amount of electricity that could be generated

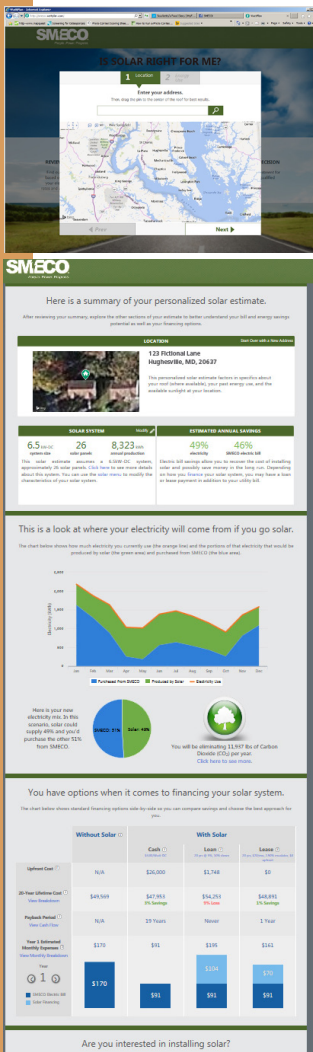
and approximate annual electric bill savings. (The figures shown are estimates only.)

It's easy. Simply enter your address, input your average monthly bill, and see what you get. WattPlan will suggest the number of solar panels and provide an estimate of annual kWh production and your estimated annual electric bill savings.

Use the Solar Menu (on the left side of the screen) to refine your home's characteristics. Add a second solar array or prioritize the financing method. The system illustrates a variety of options. You can view the estimated payback period, cash flow, and 20-year lifetime cost breakdown.

More than 1,500 SMECO customer-members currently have net meters and the interest continues

to grow. See how your home or office stacks up with WattPlan.



smeco.wattplan.com

Be alert to payment scams

SMECO has been alerted to a fraud scam in which customers are asked to provide payment information in order to avoid having their electric service disconnected.

Please do not provide personal, financial, or electric account information to unauthorized callers. Customers should also not provide Green Dot, Western Union, or Moneygram payments to callers claiming to be from SMECO.

If you receive a phone call from someone threatening to disconnect your power, hang up and call SMECO directly to check your account balance. The contact center is open 24 hours a day, every day and can be reached at 1-888-440-3311.

Customer-members should know how much they owe and when payments are due. Electric utilities follow state regulations and have set schedules for billing and payment. SMECO bills are issued monthly. Overdue amounts are identified on a customer's bill. If payments are late, SMECO sends a pink termination notice.

- SMECO only calls customers who owe a past due balance.
- SMECO usually uses an automated phone system with a recorded message; rarely will SMECO employees make personal "collection" phone calls.
- Collection calls are made about 10 days before service is to be terminated. SMECO does not require payment at the time of the call.
- SMECO does not make collection calls or terminate service on weekends or holidays.
- If service is going to be terminated, a SMECO collector will knock on the customer's door before turning off service.
- SMECO collectors will accept credit card payments, checks, or money orders, but they do not accept cash.

For more information about scams and SMECO's collection process, visit www.smeco.coop/safety/scam-alerts.

November 1
Annual Oyster
and Ham Dinner

Sponsor: Cobb Island Volunteer Fire Department and EMS

Noon to 5 p.m. 17069 Cobb Island Road, Cobb Island. Annual Fried Oyster and Stuffed or Regular Ham Dinner. Oyster Scald also available. Bake sale, Raffles, 50/50. Carry out dinners available.

301-259-4375

November 4
Little Explorers:
Getting Dressed

Sponsor: Historic St. Mary's City

10 to 11 a.m. Historic St. Mary's City, meet at The Shop at Farthing's Ordinary, 47414 Old State House Road, St. Mary's City. The different clothes people wear. Designed for children age 3 to 5 and an accompanying adult. \$ Admission; one accompanying adult free. Full-day admission included.

240-895-4990

hsmcdigshistory.org

November 7
Holiday Craft Fair

Sponsor: Ladies Auxiliary Fleet Reserve Association Branch 93

10 a.m. to 3 p.m. Fleet Reserve Association Branch 93, 21707 Three Notch Road, Lexington Park.

301-481-9655

Hide-Tanning Workshop

Sponsor: Historic St. Mary's City

10 a.m. to 2 p.m. Historic St. Mary's City, Woodland Indian Hamlet (meet at the Visitor Center), 18751 Hogaboom Lane, St. Mary's City. Learn to prepare deer skin Yaocomaco-style. This is a hands-on event; dress for work. For ages 14 and older. \$ Admission. Reservations required.

240-895-4990

hsmcdigshistory.org

Good Samaritan
Presbyterian Church
Holiday Bazaar

Sponsor: Good Samaritan Presbyterian Church

9 a.m. to 2 p.m. 13025 Good Samaritan Drive, Waldorf. Handmade crafts, cookie walk, bake sale table, White Elephant sale, and a Secret Santa Shop for the little ones. The event will have crab soup, barbecue, and hot dogs available for sale.

301-843-1335

gspc.cc

November 8
Speaker Series #7: Richard
Moe—"Roosevelt's Second
Act: The Election of 1940
and The Politics of War"

Sponsor: Sotterley Plantation and The Boeing Company

3 to 4:30 p.m. Sotterley Plantation, Hollywood. Winner of the 2013 PROSE Award for U.S. History, Richard Moe focuses on a turning point in American political history: FDR's decision to seek a third term as World War II began. This event is free to the public. Advance reservations are required due to limited seating.

301-373-2280

sotterley.org

Veterans' Parade

Sponsor: Town of La Plata

1 to 2 p.m. Town of La Plata. Watch the parade make its way to Town Hall down Charles Street and La Grange Avenue.

301-934-8421

November 14
Annual Holiday
Design Show

Sponsor: The La Plata Garden Club

11 a.m. to 3:30 p.m. Grace Lutheran Church, 1200 Charles Street, La Plata. The show will feature many

vendors. Carol Inskeep will be the guest speaker. Inskeep has studied and demonstrated in Europe, and worked on the Rose Parade Floats as a contracted floral designer with Fiesta Parade Float Company in Pasadena, California, for four consecutive years. The design show starts at 1 p.m. \$ Admission. Light refreshments will be available.

301-934-9755

facebook.com/VeteranandMilitaryAppreciationDay
townoflaplata.org

Craft Fair

Sponsor: Sarah Circle/United Methodist Women

9 a.m. to 2 p.m. 27108 Mt. Zion Church Road. Featured will be food and a bake sale. All proceeds to benefit the church and its missions.

301-536-8876

mtzionmech.org

Veteran and Military Appreciation Day

9 a.m. to 3 p.m. Serenity Farm, Benedict. Educating Veterans, Military, and Families about local Military Friendly Businesses and Resources. Admission is free.

301-481-9655

facebook.com/VeteranandMilitaryAppreciationDay

November 20 Auction

Sponsor: Immaculate Conception Church

10 a.m. to 4 p.m. 28297 Old Village Avenue, Mechanicsville. Auction to benefit Immaculate Conception Church's Renovation Fund. Featured will be a Country Store, bake table, raffles, food table, garden/basket table, and Christmas table. Quilts, furniture, antiques, picnic tables, gift sets, dinners, sports memorabilia,

collectibles, Afghans, rockers, and many other items made and donated by the parish community. Auctioneer will be A.J. Bussler. Visa and MasterCard accepted. Food and drinks will be available starting at 4 p.m.

301-884-3123

ImmaculateConceptionMD.com

November 22

St. Michael's Fall Festival

Sponsor: St. Michael's Church/School

11:30 a.m. to 4 p.m. 16560

Three Notch Rd., Ridge. The Fall

Dinner menu includes traditional

Thanksgiving favorites: Fried

Oysters, Stuffed Ham, and Turkey

with all the trimmings. Served

buffet style—all you can eat. Carry

out dinners are also available.

The Ladies of Charity will sell

homemade desserts and local

vendors will offer their crafts for

sale. Also visit the thrift store,

Angel Wings and Things, before or

after dinner.

301-872-5454

November 28

Hearth and Home in Early Maryland

Sponsor: Historic St. Mary's City

10 a.m. to 4 p.m. Historic St.

Mary's City, Visitor Center, 18751

Hogaboom Lane, St. Mary's City.

Explore 17th-century foodways,

and celebrate the end of the

growing season. Discover what it

took to weather the winter before

refrigerators, electric stoves, and

grocery stores. Bring a canned

good for the Southern Maryland

Food Bank and save \$1 on

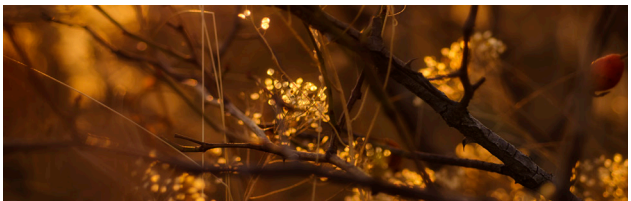
admission. \$ Admission. Free for

children age 5 and younger and

for Friends members.

240-895-4990

hsmcdigshistory.org



SMECO holds 77th annual members' meeting

SMECO held its 77th Annual Meeting on September 2, 2015, at the Blue Crabs Regency Furniture Stadium in Waldorf. The event allows customer-members the opportunity to vote for SMECO members to serve on the Co-op's Board of Directors.

Registration ran from 4 to 7 p.m. The Cooperative had 1,213 members register to vote, with 394 of them voting by absentee mail-in ballot. The following SMECO members were elected to serve on SMECO's Board for three years: Samuel "Jack" Hammett in Calvert County; Fern G. Brown and Kenneth L. Dyson in Charles County; and W. Rayner Blair III and William R. Cullins III in St. Mary's County. Customer-members also voted to accept several bylaw amendments.

The Sara Gray Band performed a one-hour set and the Southern Mix Chorus, which performed the national anthem. The ROTC students from La Plata High School and St. Charles High School presented the colors and John Briscoe, pastor of Restoration Free Gospel Church in Lexington Park, led the invocation.

Members who registered to vote were eligible to win one of 50 electric bill credits of \$50 each. In addition, winners of 15 cash prizes of \$100 each and a well-traveled SMECO vehicle were randomly selected from the registered members in attendance. Elaine Morgan of Hollywood won the SMECO vehicle, a four-door 2004 Chevy Malibu, with AM/FM radio, air conditioning, and 104,000 miles.