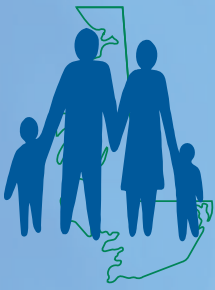


CONSUMER GUIDE

Choptank Electric Cooperative, 2009 - 10



This *Consumer Guide* is published for members of Choptank Electric Cooperative, P.O. Box 430, Denton, MD 21629

Toll Free:

1-877-892-0001

Outage Reporting:

1-800-410-4790

Toll free, 24 hours/ day,
7 days/week.

Automated Customer Service Line:

1-800-311-8556,

toll free

410-479-4206

(Caroline Co.)

Internet site:

www.choptankelectric.coop

President and CEO
Frederick L. Hubbard

Board of Directors

Carl R. Widdowson
Chairman, Somerset Co.

Jeffrey D. Rathell Sr.
Vice Chairman, Talbot Co.

Olin S. Davis III
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Wicomico Co.

William L. Spicer
Dorchester Co.

Francis A. Ruffo Sr.
At-Large

Senior Staff

Michael I. Wheatley
Sr. V.P., Corporate Services

Robert P. Behlke
V.P., Consumer Affairs

G. Lee Turner
V.P., Distribution Services

Choptank Electric Cooperative serves more than 53,000 members in Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico and Worcester counties on Maryland's Eastern Shore. The cooperative was incorporated on Sept. 21, 1938.

Choptank Electric, a not-for-profit organization, exists to provide energy and other related services that improve the quality of life of its members.

The cooperative is owned by its members. Each one has a vote in deciding who will serve on the board of directors, and those directors must be co-op members. This democratic accountability ensures responsible management of cooperative business, including affordable rates and efficient use of resources.

MEMBERSHIP

Any person, firm, association, corporation or body politic, or subdivision thereof, may become a member of Choptank Electric Cooperative, Inc., and is then eligible for service.

An application must be completed prior to becoming a member. A provision for joint membership has been made for eligible persons desiring such an option. All aspects of the membership process are subject to Article I of the corporation bylaws which are available for review at any co-op office. Applications for membership can be handled through all offices.

ONE MEMBER, ONE VOTE

Ballots are mailed prior to the annual meeting to elect members to the board of directors and for changes to cooperative bylaws. Each member may vote by mail or at the annual meeting.

ANNUAL MEETING

The 2010 annual meeting will be held on April 27 at North Carolina High School, Denton MD.

CAPITAL CREDITS

Members may share in any co-op operating margins or profit. Your share of these is a "capital credit."

Each year the applicable portion of the margins earned is credited to a special account for each member. (For example, if margins are 4 percent of total revenue, each member-owner is credited with \$4 for every \$100 paid for electric service.) The money is held for a period of time as part of the cooperative's equity and is utilized to help build and improve the cooperative's system.

The board of directors determines annually whether refunds can be paid out of capital credits. This decision is based on the financial performance of the cooperative and the requirements of the mortgages held by the National Rural Utilities Cooperative Finance Corporation. Current and former members have no absolute right to the dollars allocated to their capital credit account until an authorization for payment is made. The board will determine the amount and method of capital credits payments.

The board of directors has made it a policy to pay capital credits to the estates of deceased members on a discounted basis upon election and to make a general payment if the cooperative's financial position allows.

AUTOMATED CUSTOMER SERVICE LINE

This service has the following consumer information available: Total of last bill; Total of all payments received since last bill; Payment amount now due; Most recent meter reading and date entered.

You may: Enter your current meter reading; Leave information for bill payment by credit card; Update your current 11-digit phone number; and hear all phone numbers in use by the cooperative.

Using the system:

- Have your 10-digit account number ready.
- Use touch tone phone only.
- Dial 1-800-311-8556 or 410-479-4206 in Caroline Co.
- Call only Sunday to Saturday, 4 a.m. to 10:30 p.m.
- Follow voice prompts that instruct you to push the # key on your phone at certain times.

(The system may be unavailable at times due to maintenance.)

REPORTING AN OUTAGE

Use the automated outage reporting system number, 1-800-410-4790, only to report outages. This system allows the co-op to diagnose outage problems more quickly for a faster dispatch of service personnel and faster repair.

A recorded message will give a menu of options and you will be asked to press the corresponding number on your touch-tone phone to describe your problem. If you have a rotary phone, you will be allowed to leave a message. Please give the telephone or account number of the outage location when reporting an outage. This helps to locate you more easily in the event of trouble. Make sure correct phone numbers are on file for all accounts.

If you experience an outage, please check fuses or circuit breakers before calling. If a Choptank service person responds and it is a "member's own trouble" call, you will be billed a service charge.

CALL BEFORE YOU DIG

The co-op is a member of MISS UTILITY, an organization that ensures underground cables can be located prior to excavation work. There is no charge for the service. Call the national 811 "call before you dig" number to begin the process of locating lines or you may call MISS UTILITY of Delmarva at 1-800-441-8355. Please call 48 to 72 hours before you begin any digging or excavation or even if your service runs overhead. The same regulations apply to other utility services.

OPERATION ROUND UP®

Choptank Electric has adopted Operation Round Up® as a way to enable its customers to raise money for local charities, needy individuals and service organizations.

Choptank automatically includes its members in this program by "rounding-up" their bill to the nearest dollar. All funds go directly to the Choptank Electric Trust, a non-profit corporation. Any member who does not wish to participate or who chooses to discontinue their contributions at any time, should contact the co-op at 877-892-0001.

Donations are tax deductible and members receive a summary of contributions in January and February bills. All monies collected are given to approved, worthy projects in the nine counties of Maryland's Eastern Shore. Applications are available by calling the co-op. No donations are used for the administrative costs of the program.

READING YOUR OWN METER

As a residential service member, it is necessary to read your own meter. There is a place to write your meter reading and the date it was read on the payment stub of your monthly electric bill.

When you receive your bill, take time to go to your meter and record the reading and date. The meter will have either four or five digits; record the numbers exactly as you see them.

You may include the reading with your payment or record the reading by calling the Automated Customer Service Line, 1-800-311-8556. You may also record it at www.choptankelectric.coop or by calling 1-877-892-0001.

The meter reading you turn in will be used for billing the following month. This means there may be as much as a month's delay between actual use of your service and when you are billed for that use. **Read your meter on the same date each month to ensure a more even spread of use over the monthly billings.**

If the co-op does not receive a reading **BY THE PAYMENT DUE DATE**, it will be necessary for an employee to read your meter. Your account will be charged a \$5 fee for this service, except for residential customers with time of use or net meters.

There are occasions when your electric meter will be read by cooperative meter readers. Please maintain an unobstructed path to the meter at all times.

BILLING

Your actual billing date is determined by your service location. You will be billed on or about the same date monthly. This may vary slightly due to holidays and weekends.

The payment due date on your bill will also be the last date the cooperative is able to receive your meter reading.

Payment may be made by mail, at co-op offices, by MasterCard or VISA, by phone, Bank Draft or online by credit card or E-check.

There is a \$25 charge if a credit card is declined for the second time in a 12-month period.

If paying by mail, please send check or money order - do not send cash. Write your account number on the check or money order to ensure your account will be correctly and promptly credited and enclose the payment stub from the bottom portion of your bill.

There are after-hours drop boxes at all offices and Ocean Pines. There are drive-up windows at our Denton and Berlin locations.

IF YOU CANNOT PAY YOUR BILL

If you are unable to pay a bill when it is due, please call your regional customer service manager who may be able to work out a payment plan or installment agreement. All installment agreements will be in writing. Failure to keep the agreement will result in termination of service.

For an installment agreement, payments will be based on the amount of the unpaid balance, the ability of the member to pay, the member's past payment records and the length of time the bill has been outstanding.

The cooperative is not obligated to renew or make a second agreement with a member on the same debt. Nor is the cooperative required to enter into a second agreement with the same member for a separate but similar circumstance.

THE LATE PAYMENT CHARGE

Members who do not pay their bills by the due date will have a Late Payment Charge added to their bill the following month as a prior period adjustment.

A late payment charge of 1.5 percent of the outstanding balance will be added to the account after the first billing period. An additional 1.5 percent of the outstanding balance will be added at the end of the second billing period showing the outstanding amount. The late charge will at no time exceed a total of 5 percent, the amount allowed by Maryland law.

On request, a member may receive a waiver to the Late Payment Charge twice in a 12-month period. A written request must be received by the cooperative within 45 days of the billing date in question.

RETURNED CHECK

An additional charge of \$25 will be made and added to the account balance if the bank returns a member's check. The returned check charge will be waived provided no such waiver has been made in the preceding 11 months. If the member has three returned checks in one year, business will be conducted on a cash-only basis. The \$25 fee is not waived if the returned check is paying a delinquent amount.

COLLECTION FEES

If a member fails to pay their bill by the termination date, an effort will be made to collect the delinquent account and a \$10 collection fee will be added to the amount due. Should a member not have the money to pay the collection fee, it will be deducted from whatever payment is made and the balance carried forward.

TERMINATION OF SERVICE

Bills are considered delinquent if not paid by the billing due date. If payment is not received by that date, a delinquent notice is sent by 1st Class Mail giving the member 14 days to make payment. If payment is not received by that date, electric service is subject to termination.

Members are subject to denial of service after 14 days written notice for:

- Nonpayment of a bill;
- Nonpayment of a deposit;
- Failure to provide access to the cooperative's meter and equipment;
- Violation of or non-compliance with

the applicable rules of the Public Service Commission or the cooperative's tariff as filed with the Commission.

Electric service may be terminated after 7 days' notice for any of the following:

- Using service without having contacted the cooperative to do so and refusing to sign an application for service;
- Making an application in a fictitious name;
- Making application in the name of another member of the family or household to avoid payment of a prior outstanding bill.

The cooperative may deny service without notice if:

- Conditions on the member's premises are determined by the cooperative to be hazardous;
- There has been tampering with the cooperative's equipment and/or property;
- There has been unauthorized use of service by any method, including diversion of electricity around the meter;
- Equipment is used by the member that will adversely affect the cooperative's equipment or service to other consumers.

THIRD PARTY NOTIFICATION

A member may designate a third party to receive termination notices. The cooperative will send the third party a copy of any termination notice that the member might receive.

Appointing a third party does not relieve the member of the responsibility to pay the bill, nor does it prevent the service from being terminated if the bill is not paid.

This third party notification may be useful to the consumer who may be out of town for extended periods, for those with physical disabilities, the elderly, or a consumer who might find language a barrier.

RIGHTS AND RESPONSIBILITIES

It is the consumer's responsibility to promptly enter into an agreement with the cooperative for the payment of past due as well as current amounts for electric service.

It is the consumer's right to dispute the termination for nonpayment or to reach an agreement with the Cooperative for payment of past due bills to avoid shut-off. If you dispute the amount of the bill, we will make a decision and inform you.

If you disagree with our decision, it is your right to file a complaint within 7 days with the External Affairs Section of the Public Service Commission of Maryland by calling toll free 1-800-492-0474 or writing 6 St. Paul Centre, Baltimore, MD 21202.

It is your responsibility to contact the co-op if you are unable to pay your bill.

Elderly or Disabled: Between the time you receive the termination notice and the actual date of termination, the co-op will

attempt to make personal contact with you and the elderly or disabled occupant by telephone or in person. You will be informed of possible sources of financial assistance and alternate payment plans. If contact cannot be made, notice of termination will be left at the premises.

SPECIAL NEEDS MEMBERS

Some of our members use medical equipment that requires a reliable source of power. We offer these suggestions for the use of this equipment:

- Obtain a back-up source of power recommended by the manufacturer, such as a generator or battery back-up.
- Plan where the individual using this equipment will stay in the event of a major power outage.
- Call the co-op to request a Medical Equipment Survey form which must be completed by a physician. When this form is returned, a note of the medical situation will be placed on your account. This way, we will be aware of the situation when you report a power outage at your home.

Notifying the co-op of the use of medical equipment does not guarantee uninterrupted electric service, nor immediate attention to an individual service if there is a power outage. It alerts us to the situation so when we begin to restore individual service these cases become priority.

Life support status does not exempt service from termination due to non-payment. Service will not be terminated for those with serious illness or needing life support equipment for an initial period of 30 days beyond the scheduled date of termination when it will aggravate an existing illness or prevent use of life-support equipment. A medical equipment form must be on file to grant this extension.

RECONNECTION OF SERVICE

Once terminated, service will be reconnected when all amounts due and a reconnect fee are paid. Any member whose service is disconnected may be required to pay a deposit to restore service. The fee is \$40 for reconnection 8 a.m. to 4 p.m., Monday through Friday, and \$80 if the request is made after 4 p.m., or on a weekend or holiday.

ELECTRIC UNIVERSAL SERVICE PROGRAM

The Electric Universal Service Program is a state program to assist low-income electric customers with paying their electric bills. The program runs July 1 to June 30, and may help eligible electric customers in three ways:

- Pay Past Due Electric Bills — You may be eligible for help to pay past due bills whether you have active electric service now, or if you don't have service and want to start.
- Pay Current Electric Bill — If you are eligible, assistance will be sent

directly to your utility to help pay ongoing bills. This benefit will be deducted from an estimate of your total annual bills. You will pay the remaining estimated amount due in budgeted monthly installments.

- Weatherization Services — Some electric customers may receive help to improve energy efficiency in their homes. Homeowners and renters may be eligible.

- Other Programs — If you receive help from the Maryland Energy Assistance Program, you should also apply for the Electric Universal Service Program. Eligible customers may receive help from both. Only one application is needed.

The Electric Universal Service Program is available to all eligible Maryland electric customers, including homeowners and renters. Electric service must be in the name of the person seeking assistance. You may be eligible if your income is at or below 175% of the federal poverty guidelines. Customers who live in subsidized housing where heat is included in the rent may also be eligible. The program is administered by the Maryland Dept. of Human Resources, Office of Home Energy Programs.

For information or an application, call toll free to 1-800-352-1446 (TTY 1-800-925-4434) or visit the web site at www.dhr.state.md.us/meap

Applications are available at energy assistance offices: Caroline Dept. of Social Services, 207 S. Third St., Denton, 410-819-4500; Cecil DSS, 135 E. High St., Elkton, 410-996-0270; Dorchester DSS, 627 Race St., Cambridge, 410-901-4100; Kent DSS, 350 High St., Chestertown, 410-810-7716; Queen Anne's Dept. of Social Services, 125 Comet Dr., Centreville, 410-758-8000; Shore Up! Inc. — Worcester, 410-632-2075, Somerset, 410-651-1805, Wicomico, 520 Snow Hill Rd., Salisbury, 410-749-1142; Neighborhood Service Center, 126 Port St., Easton, 410-822-5015.

UTILITY SERVICE PROTECTION PLAN

Members eligible for energy assistance from the Maryland Energy Assistance Program (MEAP) may also be eligible for participation in Choptank Electric's Utility Service Protection Plan.

Those who qualify may enter into an equal monthly payment plan to ease the burden of paying energy bills. Contact a local energy assistance office for information.

CONSUMER DEPOSITS

Choptank Electric may require a consumer or a prospective consumer to pay a deposit. A deposit required for a residential account will be equal to 2/12ths of the estimated bill for a year.

An applicant for residential service who is under 60 years of age will be

required to pay a deposit **unless** he or she meets one of the following criteria:

1. Has been a previous member of the cooperative or another Maryland utility in the past two years and established good paying habits.
2. Owns or is buying the home for which the service is requested.
3. Has had three years of continuous employment with current employer or another acceptable source of income.
4. Has had bill guaranteed in writing by another party satisfactory to Choptank.
5. Has established credit by another method satisfactory to the Cooperative.

An applicant 60 years of age or older is exempt from any cash deposit to receive initial service providing the individual presents satisfactory proof of:

1. Age.
2. Intent to be the primary consumer of the service being applied for by having a copy of a lease, mortgage, rental agreement or title to the dwelling in question.
3. The absence of any outstanding bill owed to a utility for service.

A deposit may also be required from any member who fails to pay a bill within 14 days of receiving a disconnect notice. This deposit may be required to reestablish their credit.

Any former member who owes an outstanding bill, or whose service was disconnected for non-payment during the last 12 months of the prior service, will be required to pay a deposit. Finally, a deposit may be required of those consumers who are habitually late in paying their bill.

Regulations governing security deposits and similar matters for non-residential consumers will be found in COMAR 20.30/.01. Copies of this regulation are available on request. A deposit payment plan is available. Details are available at your local office.

INTEREST ON DEPOSITS

The cooperative will pay interest on each deposit held over 90 days in accordance with Maryland law. Interest will be calculated at a rate per annum determined by the Public Service Commission.

REFUNDING DEPOSITS

The member's account will be examined after each 12-month period. If service has not been disconnected for non-payment during the period, or there was not more than one occasion when a bill was not paid within 20 days after presentation, and the member is not delinquent, the cooperative will refund the deposit with interest.

Upon discontinuance of service, the deposit will automatically and promptly be refunded if there is any excess over the amount of any final unpaid bill.

CALCULATING YOUR BILL

It may be helpful to understand the manner in which your bill is calculated to verify billing accuracy.

As an example, the calculation for a **residential** consumer who used 1,000 kilowatt-hours of electricity in any given month would be as follows:

1. Determine Delivery Service Charges

Consumer Charge	\$9.50
Delivery 1,000 Kwh @\$0.04136	41.36
Apply taxes and surcharges	
PSC franchise tax	
1,000 Kwh@\$0.0062	0.62
Environmental	
RGGI Credit	- 1.50
1,000 Kwh@\$0.00153	0.15
Universal Service	0.37
Subtotal Delivery Service Charges	\$50.50

2. Determine Standard Offer Service

(SOS) Charges	
Energy Supply	
1,000 Kwh@\$0.08317	\$83.17
Power Cost Adj. @\$0.0011	1.10
Transmission Supply	
1,000 Kwh@\$0.00589	5.89
Subtotal SOS Charges	\$90.16
Total Amount Due	\$140.66

EVEN MONTHLY PAYMENT PLAN

An Even Monthly Payment Plan is available for members whose accounts are current. You may apply for the Even Monthly Payment Plan July 1 to December 31.

The plan runs from July to June. The even monthly payment is pro-rated based on the amount of time remaining in the plan year. The member will be billed the same amount each month through May. Any difference between the budget plan and actual use is billed or credited in June.

Members who opt for the Even Monthly Payment Plan automatically remain on the plan. The new even monthly payment of the next plan year appears on the June bill.

Participating members are still expected to read their own meter. If the co-op does not receive a meter reading for an Even Monthly plan account within the prescribed period, an employee will read the meter and a \$5 fee will be charged.

ESTIMATED BILLS

There are times when it might be necessary for the cooperative to send an estimated bill. This may occur with new connections, a storm, if a meter is not accessible to the reader or if an incorrect reading is furnished by the member.

BANK DRAFT AUTHORIZATION

Bank Draft Authorization (BDA) is an electric bill payment program that permits Choptank Electric to deduct money from your bank, savings and loan or credit union checking account to pay your monthly electric bill.

Co-op members with accounts in good standing are eligible for BDA, as well as those on the Even Monthly Payment Plan. Forms are available by mail, at co-op offices or by download from our website.

VIEW BILL, PAY BY E-CHECK

Members may pay by e-check at www.choptankelectric.coop. You can instantly view your bill and pay through a secured website by credit/debit card or e-check. To pay by e-check you will need your bank's routing number and your checking account number.

E-bill is accessed by clicking "Online Bill Payment" on the website home page. To enter a meter reading only, click on "Meter Reading." If you are a first-time user, you must complete a brief registration.

On the Account List page, you can view the image of the current bill as well as detail, payment and billing history. If you have more than one account, choose which you wish to pay, then click the "Pay" button and select a payment option.

BILL EXTENDER PLAN

Some members may have difficulty in meeting bill due dates, particularly those receiving Social Security, SSI, disability or other financial aid. To be eligible for the Bill Extender Plan, the aid the member receives must constitute the main source of income.

Bill Extender allows the co-op to extend the date the bill becomes past due in accordance with provisions of the Maryland Code. A member wishing to enroll should bring proof of eligibility to their local co-op office to discuss this.

RECURRING CREDIT CARD AUTHORIZATION

Credit card authorization is an electronic payment program that permits Choptank to charge your credit card each month to pay your electric bill.

Payment by credit card authorization becomes effective with the next electric bill showing the notation "Payment by Credit Card" next to amount due. It will also show the date your credit card will be charged.

You may discontinue this payment service at any time with written notification or by contacting our call center.

IT'S YOUR BUSINESS

Portions of this guide were prepared in compliance with PSC Directives and the Maryland Code Sections 20.30.03 and .04. Further information on Cooperative Terms and Conditions (as filed with the PSC), bylaws, or matters of cooperative policy or procedure can be obtained by contacting any of our district offices.

SERVICE RELIABILITY

Choptank Electric retains information on the reliability of the system. If you

would like information and statistics about service reliability, please contact the call center at 877-892-0001.

MARYLAND PUBLIC SERVICE COMMISSION (PSC)

Members and prospective members should first contact the cooperative concerning such matters as new service, changes in location, billing inquiries, meter readings and restoration of service after interruptions.

If the cooperative cannot satisfactorily respond to your problem, you may contact the PSC External Affairs Section, Public Service Commission of Maryland, 6 St. Paul Centre, Baltimore, MD 21202; or call 1-800-492-0474, 8 a.m.-5 p.m., Monday - Friday, except holidays.

**Choptank Electric
Phone numbers
and addresses**

Choptank Electric Offices
Open 8:00 a.m.-4:30 p.m., Monday-Friday

Member Service Center (for all offices):
1-877-892-0001

Outage Reporting only: 1-800-410-4790

Automated Customer Service Line:
1-800-311-8556 or

410-479-4206 (Caroline Co. only)

Fax: 410-479-3940 (Denton)

Internet: www.choptankelectric.coop

Email: info@choptankelectric.coop

Northern Region

Cecil, Kent, Queen Anne's, Caroline and Talbot counties

Kevin C. Wright

Regional Customer Service Manager

Denton District Office

24820 Meeting House Rd.

P. O. Box 430

Denton MD 21629

Central Region

Dorchester and Wicomico counties

Claire A. Robertson

Regional Customer Service Manager

Cambridge District Office

1715 Race St., P. O. Box 190

Cambridge MD 21613

Salisbury District Office

2121 West Zion Rd., P.O. Box 2474

Salisbury MD 21801

Southern Region

Worcester and Somerset counties

Harold J. Sise Jr.

Sr. Regional Customer Service Manager

Berlin District Office

8938 Worcester Highway, P. O. Box 199

Berlin MD 21811

The Pocomoke, St. Michaels and Chestertown offices are open for operations only, the business offices are closed.