



**Choptank Electric
Cooperative**

A Touchstone Energy®
Cooperative



PO BOX 430
DENTON, MD 21629

October 1, 2023

Dear Member:

Choptank Electric Cooperative's Board of Directors will vote at its November 15, 2023, meeting on proposed rate changes that will affect all rate classes within the Choptank service territory.

As you know, we have worked diligently over the last five years to control expenses associated with the distribution of electricity to our members. While expenses for inputs continued to increase, we were able to manage inventory supply and keep many inflationary tendencies at bay. But we have reached the point where we must incorporate expense realities and adjust distribution rates that have been unchanged since 2018.

Coincidentally, the increase in distribution costs is occurring at the same time as a decrease in the cost of purchasing electricity from our generation supplier - Old Dominion Electric Cooperative. This will allow us to decrease the Power Cost Adjustment (PCA) line on your bill. As promised, Choptank is passing the full reduction on to you. In most cases, the cost savings in electric supply will offset the increase in distribution, resulting in no increase or even a small decrease in your monthly energy bill.

To summarize, these are the anticipated impacts of the two rate actions on monthly bills for Residential Members:

- Customer charge of \$11.75 is unchanged
- Proposed distribution increase to \$.06351/kWh (currently \$.05375/kWh)
- Proposed PCA decrease to \$0.01650/kWh (currently \$.03159/kWh)
- Overall Decrease of \$5.33 per 1,000 kWh
- Overall Decrease of 3.11%
- Current 1000kWh bill=\$171.57
- Proposed 1000kWh bill=\$166.24

Additional details for all rate classes can be found on the rates page of our website at <https://www.choptankelectric.coop/rates>.

As a member of a not-for-profit electric cooperative, you have the benefit of a dedicated staff working to bring reliable, affordable electric service to you - at cost. Since our inception in 1938, the member-leaders of Choptank Electric Cooperative have prioritized the families, farmers and small businesses in the communities we serve. We do not have stockholders, so we do not have to make a profit to pay investors. We work for you. Any revenue margins are returned to you through our capital credit program.

We strive to be as transparent as possible with you as we undertake the responsibility of setting accurate rates to maintain the reliability of our electric grid. Members are permitted to comment on rate actions and/or be present at the Board meeting for consideration of new rates. Comments or questions can be sent to rates@choptankelectric.coop. To arrange to attend the November 15th Board meeting, please contact my Administrative Assistant at 1-877-892-0001 (ext. 8551) by 4:00pm on Monday, November 6, 2023.

Please know that we continue to keep your priorities in mind as we plan for the future. We know that affordable electricity, avoided outages, speedy restoration during storms and friendly customer service are important to you. That's why they are priorities here at Choptank Electric Cooperative. Please let us know if you have any questions.

Sincerely,



Mike Malandro
President & CEO

Notice to Members of Proposed Rate Action

This notice is being issued pursuant to the Corporations & Associations Article of the 2020 Maryland Code, §5-638(B). At its meeting on November 15, 2023, the Board of Directors of Choptank Electric Cooperative will vote on the adoption rates charged to Cooperative members. The distribution rate increase and the PCA decrease impact all rate classes. The proposed changes are available on the Rates page of the Cooperative website at <https://choptankelectric.coop/rates> under "Proposed Tariff Changes."

Pursuant to MD Corp & Assn Code §5-638(B) (2020) and the Cooperative's policies, members have the opportunity to comment on the proposed changes and to attend the portion of the meeting in which the Board of Directors votes on the proposed changes.

* Comments shall be submitted in writing to the General Counsel (1) via email at rates@choptankelectric.coop or (2) by mail at P.O. Box 430, Denton, MD 21629. Comments must be submitted by November 6, 2023.

* Any member wishing to attend the Board meeting shall, by November 6, 2023, contact the CEO's Administrative Assistant at 1-877-892-0001 (ext. 8551) to make arrangements to attend.

Please email rates@choptankelectric.coop or call us at 1-877-892-0001 (ask for Rates Department) with questions.