



# Choptank Electric Cooperative

A Touchstone Energy<sup>®</sup> Cooperative



## 2022 COMMUNITY IMPACT REPORT

P.O. Box 430 | Denton, MD | 21629

Member Service Center: 1-877-892-0001

Automated Member Service: 1-866-999-4574

Automated Outage Reporting: 1-800-410-4790

Text 'OUT' to: 1-800-410-4790

Use SmartHub to Manage Account, Track Usage and Report Outages →

[WWW.CHOPTANKELECTRIC.COOP](http://WWW.CHOPTANKELECTRIC.COOP)







Mike Malandro  
President & CEO

Jeffrey D. Rathell  
Chairman of the Board

Dear Members,

A sense of normalcy was restored as we moved through 2022, leaving behind some COVID limitations and coming together again as a community for improved quality of life here on the Eastern Shore.

At Choptank Electric Cooperative, we made great strides with grid upgrades to modernize electric service and protect against cyber threats. Despite supply chain challenges, Choptank efficiently managed vital components like transformers, vaults, and switches. Continuing to do business with exemplary service while also considering the safety and security of our employees and members is a priority. Our lineworker training facility in Salisbury is world-class. A partnership with Wor-Wic Community College that developed throughout 2022 will bring the first-ever pre-apprenticeship lineworker training to Maryland so local students can receive workforce development.

We continued our high-speed internet build-out, offering broadband to thousands of families. Choptank is building infrastructure and connecting customers faster than any other provider on the Shore. By going to the most rural locations, we are meeting the needs of members who have been left behind by internet companies for too long.

With this technology, we hope to bring economic development to the area along with better educational opportunities, tele-health capabilities, increase job activities, and many different entertainment features including streaming services, video gaming technologies, and video chatting with friends and family.

Working to connect members to Choptank Fiber did not prevent us from delivering affordable, reliable, and safe electricity to our members. Maintaining over 6,000 miles of electric lines across the Eastern Shore, we continue to receive a 99% reliability rating from the ASAI, and we are pleased that our long-term investments continue to pay off.

For over 80 years, Choptank Electric Cooperative has served its members and community faithfully – and we hope that we can continue to do so for the next 80 years.

Mike Malandro  
President & CEO

Choptank Electric Cooperative exists to provide reliable and cost-effective electricity that improves the quality of life for our member-owners.

We are committed to service excellence guided by the 7 Cooperative Principles.

CHOPTANK  
ELECTRIC  
COOPERATIVE  
**MISSION  
STATEMENT**



**A**s a member of a co-op, like yourself, we take part in a larger community. A large community, connected and working together to improve the lives of our members. You. Our members are our first partners. Your commitment to us allows us to better serve you and your community. Working together is key to improving services, bolstering local economies and dealing more effectively with social and community needs. It's one of our founding principles. In fact, it's our 6<sup>th</sup>: *Cooperation Among Cooperatives*.

*We're thankful to our partners who contribute in fulfilling our mission:*



## INCREASING RELIABILITY & YOUR SERVICE

Choptank Electric continues to work hard to deliver reliable, affordable and safe electricity to you. With our highly trained operations and engineering team and state-of-the-art grid, we are keeping the lights on for our members 99.98% of the time.

Investing in capital projects and performing preventative maintenance throughout the year enables us to increase system reliability, safety and affordability. These projects include upgrading substations and overhead power lines, installing fiber optics to our substations and transformers, and ensuring we have clean and accessible rights-of-way through our vegetation management program.

## CHOPTANK ELECTRIC COOPERATIVE BY THE NUMBERS

**6,369**

MILES OF LINE

**8.82**

METERS PER MILE

**158**

FULL-TIME EMPLOYEES

**94%**

MEMBERS ENROLLED IN OPERATION ROUND UP

**99.98%**

AVERAGE SYSTEM RELIABILITY \*\*

### Member Account Growth Rate

**56,142 - 2022**

**55,599 - 2021**

**55,188 - 2020**

**54,895**

CALLS TO CALL CENTER

**114.5**

AVERAGE TIME OF INTERRUPTION IN MINUTES\*

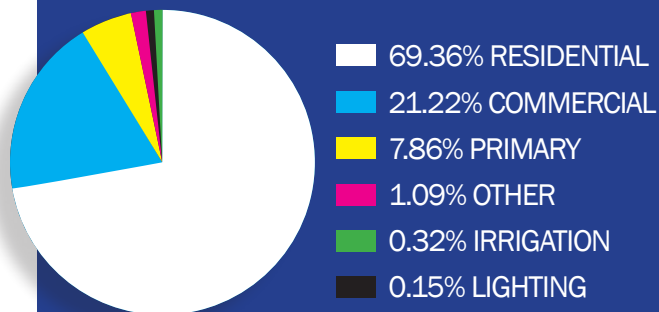
**1.25\***

NUMBER OF OUTAGES PER MEMBER

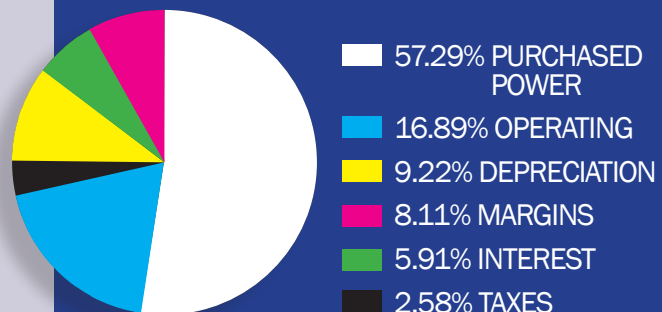
\*Data includes the whole year with no major storms. It also includes DPL transmission drops. \*\*Reliability rating from the Average System Availability Index.

## HOW YOUR COOPERATIVE DOLLAR WAS SPENT

### WHERE IT CAME FROM



### HOW IT WAS SPENT





## 2022 CAPITAL CREDIT ALLOCATION

**C**hoptank Electric Cooperative is a non-profit member-owned utility. Any margins (profits) above the cost of service are allocated back to our member-owners based on how much electricity each member purchased during the year.

The 2022 capital credit allocation was processed after the 2022 financial statements were reviewed and audited. The 2022 capital credit allocation notice for active members will show on their June 2023 electric bill in the left message area above the bill stub. Inactive members

with 2022 electricity billings will be mailed a separate allocation notice.

The capital credits (margins) allocated to members' accounts for 2022 total \$13,312,285. This is allocated between Choptank Electric (Co-op), which totals \$12,196,770 and Old Dominion Electric Cooperative (ODEC), Choptank's energy supplier, which totals \$1,115,515.

The Choptank Electric Board of Directors reviews the Co-op portion of capital credits each year and decides how and when to repay the amounts allocated. Their decision is

based on a variety of factors including the overall financial condition of the Cooperative. Any decision to repay the ODEC portion of capital credits would be entirely contingent upon refunds received from Choptank's energy supplier.

If you have questions about your capital credits, please contact our Member Service Center at 1-877-892-0001. Please have your account number available when you call.

## CHOPTANK ELECTRIC COOPERATIVE VEGETATION MANAGEMENT

**O**ur **Vegetation Management's mission** is to enhance members' service and safety. We use tree trimming, tree removal, mowing, and herbicide applications that conserves the vast natural resources of the Delmarva Peninsula. Tree trimming and mowing operations have been primarily performed by Asplundh Tree Experts of Willow Grove, Pennsylvania.

- > **CONVERTED 764 ACRES OF LAND**
- > **TRIMMED 431 MILES OF LINE**
- > **MOWED 244 ACRES OF LAND**
- > **RESPONDED TO 429 MEMBERS' REQUEST FOR SERVICE RESTORATION EFFORTS**
- > **SPRAYED 399 ACRES WITH HERBICIDES**
- > **REPLANTED 98 TREES > REMOVED 2,379 TREES**

### WINTER

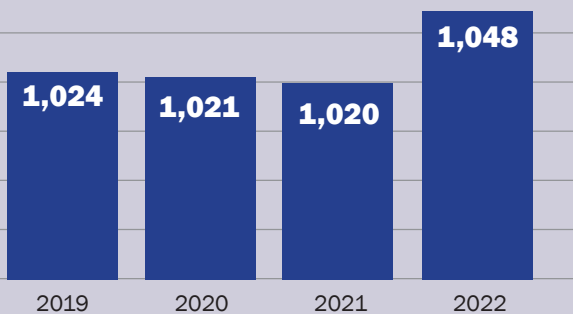
December 24, 2022, at 8 a.m. with 278,867 kW.

### SYSTEM ENERGY PEAKS

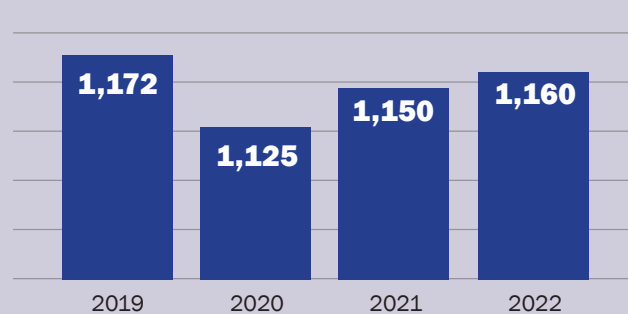
### SUMMER

August 9, 2022, at 7 p.m. with 258,240 kW.

### kWh SALES (IN MILLIONS)



### AVERAGE kWh RESIDENTIAL (MONTHLY)



## CHOPTANK FIBER, LLC

is a wholly owned broadband subsidiary of Choptank Electric Cooperative. Choptank Fiber's goal is to install broadband one community at a time and then reinvest the monthly subscription revenue into the expense of infrastructure development in the next community, until we serve the entire rural Shore.

As Choptank Fiber becomes profitable, it will pay back the electric ratepayers. So, our electric ratepayers are making a small investment. In the end, we believe it will be a win for the electric co-op member and a win for the Eastern Shore as we take

**3,500**

Number of homes passed

**\$38,100,000**

Amount of Grants awarded since inception (agreement to install service to 5,600+ unserved members)

**6 of 9**

Counties Connected

**2**

Completed 2 expansion grants and 2 infrastructure grants more than a year ahead of schedule

**1**

Procured and maintained one year's worth of construction materials in advance

**3,000+**

Installed 3,000+ of broadband access pedestals

**1,250+**

Constructed 1,250+ miles of distribution fiber

**Thousands**

Spliced thousands of fiber to complete home connections

**6 Counties**

Created public/private partnerships with 6 counties

**40+**

Managed 40+ construction crews simultaneously in multiple counties

a step to solve the broadband problem.

This is the cooperative model of rural residents joining together to provide a much-needed service. It is being used across the country as many co-ops have begun to offer broadband service to members. Our financial model allows longer payback on investment than a for-profit company. On the electric side, we finance projects over 30 years. On the broadband side, if we plan a 10-year infrastructure development program, that is an acceptable term for us and for our banks.





# STRENGTH IN THE COOPERATIVE WAY

*Through the Choptank Electric Trust*



## \$347,876 granted in 2022 to improve our communities

One of the Seven Cooperative Principles is Concern for Community. As a Co-op, the quality of life for our members and the community has always been at the center of what we do. The Choptank Electric Trust is an affiliate of Choptank Electric Cooperative, governed by its own Board of Directors representing all nine counties on the Eastern Shore. The Trust donates to local organizations, charities and causes through Operation Round Up®, our community-assistance program since 2004. Members who participate in this program “round up” their monthly

electric bills to the nearest dollar and donate the difference to our program, distributing the money in our local communities. In 2022, 94% of our members were enrolled in Operation Round Up®.

The Choptank Electric Trust also authorizes donations to support community programs and historical efforts. A total of \$347,876 was granted by the Trust in 2022 to support our community with food, clothing, shelter, equipment, medical and educational needs and more.

> [www.choptankelectric.coop/operation-round-trust-fund](http://www.choptankelectric.coop/operation-round-trust-fund)

## INVESTING IN OUR YOUTH

We continued to offer scholarship programs to help local students seeking higher education. Between all of our scholarships, over \$29,000 was awarded to more than 20 deserving students across the Eastern Shore.

In partnership with the VMDEAC, we were able to take five high school juniors on a “Mini Youth Tour” in June of 2022. We toured in and around the James River in Virginia and learned about the impact electric cooperatives have on our communities. Students experienced national museums, memorials, theme parks, and learned about the industry at Community



Electric Cooperative in Windsor, VA.

While traveling and supporting

local county fairs, festivals, and a variety of other events in 2022, we met with many members to talk about the future of our Cooperative. We also supported our schools and fire departments by participating in hotline safety demonstrations, school presentations, career fairs and Junior Achievement.

> [www.choptankelectric.coop/scholarships](http://www.choptankelectric.coop/scholarships)



**Choptank Electric Cooperative**

A Touchstone Energy Cooperative

### Choptank Electric Cooperative, Inc.

Choptank Electric, a Touchstone Energy Cooperative, is a not-for-profit, member-owned, electric distribution co-op serving approximately 56,000 residential, commercial and industrial members in all nine counties on Maryland's Eastern Shore.

#### President and CEO

Micheal E. Malandro

#### Board of Directors

Jeffrey D. Rathell Sr.  
Chairman, Talbot Co.

John J. Burke Jr.  
Vice Chairman, Cecil Co.

Douglas D. Scott  
Treasurer, Dorchester Co.

Robert E. Arnold  
Secretary, Queen Anne's Co.

Amy I. Brandt  
Caroline Co.

Olin S. Davis III  
Kent Co.

Matthew R. Holloway  
Wicomico Co.

Craig N. Mathies Sr.  
Somerset Co.

Robert B. Thompson  
Ocean Pines District

Donna R. West  
Worcester Co.

**Choptank Fiber**

#### Choptank Fiber, LLC

Choptank Fiber, LLC is a wholly-owned broadband subsidiary of Choptank Electric Cooperative. Choptank Fiber's goal is to install true Gigabit broadband with no data caps one community at a time until we serve all our members on the Eastern Shore.

Our **2022 ANNUAL REPORT** can be found at our Headquarters office in Denton, Regional Service Center in Salisbury or online @ > [www.choptankelectric.coop/financial-information](http://www.choptankelectric.coop/financial-information)