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October 29, 2021

Mr. Andrew S. Johnston  
Executive Secretary  
Public Service Commission of Maryland  
William Donald Schaefer Tower  
6 St. Paul Street, 16<sup>th</sup> Floor  
Baltimore, Maryland 21202-6806

**RE: PC53 – Impacts of COVID-19 on Maryland’s Gas and Electric Utility Operations and Customer Experiences – Quarterly Report on Regulatory Assets, as of September 30, 2021**

Dear Mr. Johnston:

On September 22, 2020, the Commission issued Order No. 89636, Order on COVID-19 Emergency Measures, in the above-referenced proceeding. Order No. 89636, paragraph 11 directed each utility using a COVID-19 regulatory asset to file quarterly reports on the status of those expenses it has placed and income offsets into that regulatory asset, beginning November 1, 2020.

The status of Southern Maryland Electric Cooperative, Inc.’s (“SMECO”) regulatory asset as of September 30, 2021 is as follows:<sup>1</sup>

Expenses	\$2,483,562
Income Offsets, estimated	<u>(1,409,437)</u>
Regulatory Asset, net	<u><u>\$1,074,125</u></u>

Please contact me should you require additional information regarding this matter.

Sincerely,

Mark A. MacDougall  
Senior Vice President, External Affairs and  
General Counsel

<sup>1</sup> On June 25, 2021, SMECO received notification that the Small Business Administration (SBA) approved SMECO’s Paycheck Protection Program (PPP) loan forgiveness application with an effective date of June 17, 2021. Per SBA requirements at the time of SMECO’s filing with the Maryland Public Service Commission, at least 75% of the PPP loan funds were to be used for payroll costs during the eight week “covered period.” During SMECO’s PPP loan covered period, qualified payroll and associated benefit costs exceeded 100% of the PPP loan amount. The PPP loan funds did not offset any COVID-19-related expenses as reported above.