

ORDER NO. 92137

SOUTHERN MARYLAND ELECTRIC
COOPERATIVE, INC.'S APPLICATION
FOR AUTHORIZATION TO ISSUE
LONG-TERM DEBT

BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

CASE NO. 9832

Issue Date: January 14, 2026

On November 10, 2025, the Southern Maryland Electric Cooperative, Inc. (“SMECO” or “Cooperative”) filed with the Commission an application for authorization to issue long-term debt in an amount of up to \$200,000,000 (“Application” or “Request”). Specifically, SMECO requests that the Commission authorize the Cooperative to pay down its short-term debt incurred to finance utility construction of new and additional distribution, sub-transmission, transmission lines, and improvements to its electric facilities. Included in the Application was an affidavit of three directors of SMECO required by Code of Maryland Regulations (“COMAR”) 20.70.04.02¹ as well as a Board of Directors Resolution, and various financial statements, schedules, and reports detailing the Cooperative’s financial condition.² In addition, in support of the Request, SMECO filed a statement showing certain capital expenditures made between January 1, 2022 and September 30, 2025.³

By memorandum dated April 26, 2022, the Commission’s Technical Staff (“Staff”) filed its comments regarding the matter. Staff noted that the Application was made pursuant to § 6-102(b) of the Public Utilities Article, *Annotated Code of Maryland* (“PUA”) which provides:

¹ Application, Exhibit 1.

² *Id.*, Exhibits 2, 3, 4, 5, and 6.

³ *Id.*, Exhibit 7.

The Commission shall authorize a public service company to issue stocks, bonds, securities, notes, or other evidence of indebtedness, payable wholly or partly more than 12 months after the date of issuance, if the Commission finds that the issuance is reasonably required for the public service company to:

- (1) acquire property;
- (2) construct, complete, extend or improve facilities;
- (3) discharge or lawfully refund its obligations;
- (4) maintain or improve service; or
- (5) reimburse money, not secured by or obtained from the issuance that is expended for a purpose described in item (1), (2), or (3) of this subsection within 5 years before the filing of an application with the Commission for reimbursement.

Based upon the Application and information provided by SMECO, Staff determined that the Application meets the statutory and COMAR requirements for approval and recommended that the Commission grant SMECO's request for authority to issue up to \$200,000,000 in long-term debt.

The matter was considered at the Administrative Meeting of January 14, 2026. After hearing from the Cooperative and Staff on the matter, the Commission granted SMECO's Application and authorized SMECO to issue up to \$200,000,000 in long-term debt. The Commission concluded that approval of the Application is in the public interest, and found that the proposed issuances are consistent with the public convenience and necessity and is reasonably required for the discharge or lawful refunding of obligations, which are purposes enumerated in § 6-102 of the PUA.

This Order shall not be construed in any way as approving a particular capital structure for rate-making purposes or foreshadowing any element of a rate-making proceeding. Furthermore, the reasonableness of actual terms and conditions of the debt issuance will be considered in the appropriate rate-making proceeding.

IT IS THEREFORE, this 15th day of January, in the year Two Thousand Twenty Six, by the Public Service Commission of Maryland,

ORDERED: (1) That the Southern Maryland Electric Cooperative, Inc. is hereby authorized to issue long-term debt up to a maximum principal amount of \$200,000,000, for the purposes set forth in the Application; and

(2) That the Southern Maryland Electric Cooperative, Inc. shall file reports as necessary to comply with COMAR 20.07.04.02C.

By Direction of the Commission,

/s/ Andrew S. Johnston

Andrew S. Johnston
Executive Secretary