



Annual Meeting 2008

Cooperative spirit fuels our search for energy solutions

Southern Pine Electric Power Association members took part in their association's annual membership meeting Nov. 13 at the headquarters office in Taylorsville.

Topping the agenda was the election of directors. A quorum of members voting in person at the meeting or by proxy re-elected the following directors to three-year terms:

- Charles Lowe, Copiah County
- Harlan Rogers, Covington County
- Richard Thoms, Newton County

The annual meeting also included a business session and a prize drawing (see winners on page 11).

The theme of this year's annual meeting, "Southern Pine: A Perfect Fit for You and the Future," serves as a reminder of what people with a shared vision and spirit of cooperation can accomplish when working together. Southern Pine's founders had a vision—to bring affordable power to the rural areas of our counties and to improve the quality of life for themselves and their neighbors. They succeeded. Southern Pine's success and progress through the years are the result of a strong, 70-year partnership among our members, employees, and directors.

Today, we remain focused on controlling costs and meeting our members' energy needs now and in the future. Increased costs for fuel, climate change, power supply shortages, remarkable growth in energy demand, skyrocketing energy costs—all affect the cost of power. Yet policy makers, environmental groups and many in the industry tend to overlook the people who actually pay the bill. It's up to us to educate policy makers about the consequences of uninformed decisions on ratepayers.

Few in Washington have faced the reality that many of their current proposals are going to sharply raise electric and energy bills. As a member of Southern Pine, you can help by asking your elected officials what they are doing to make sure we have the power we need, what their plans are to help fund the technology we need to meet today's and tomorrow's energy challenges, and what they are doing to make sure our customers can afford the extra costs

involved.

In 2007, for every dollar our members paid for their electric service, 74.4 cents was used for the generation and transmission of power to Southern Pine. We are working hard to contain costs wherever we can, while continuing to maintain our electrical system and improve service. Among the projects we've been working on:

- A three-year construction work plan was put into effect Jan. 1, 2008. The plan details \$22.4 million in substation upgrades, \$4.5 million in feeder line upgrades, and \$2.1 million in 25 KV re-insulation upgrades. These items represent a necessary reinvestment in our electrical system due to aging and increasing customer load.
- This year we began installing "smart" meters, which we expect to complete within two years. We can read these meters via the power lines, and their up-to-the-minute readings will enable us to significantly improve our service to members. They will also provide additional metering data to assist members with billing and service questions. In addition, smart metering promotes energy efficiency by providing real-time customer feedback on energy use patterns.
- In 2007, Southern Pine began a project to improve its material supply capability during a disaster. We packaged and stored line construction materials in weatherproof containers to fully equip line construction crews and speed their response time during a natural disaster. We have many other similar proactive emergency preparations, and we contin-



By Don Jordan
General Manager

ue to test and fine-tune our emergency response processes year-round.

- We upgraded this year to an IBM iSeries computer that will allow Southern Pine to better process customer information.
- Plans include the addition of more payment options and the implementation of more efficient ways of handling customer calls.

Despite our best efforts to control costs and secure stable energy rates, our cost of doing business has substantially increased. Wholesale power costs have increased within the last few years, as well as costs associated with materials, fuel, labor, and other related items. We are currently involved in a cost-of-service study, and we expect a rate increase to be forthcoming. However, Southern Pine customers will continue to pay some of the lowest rates in the nation.

Although the electric industry is growing and changing, and Southern Pine along with it, our values and commitment to customers remain as they have been for 70 years. We are proud of our ability to be a part of the communities in our service area, and to do business the cooperative way. We exist to serve our members with safe, reliable, and affordable electric service—that is our core mission.

Our enthusiastic, dedicated team of employees is up to the task of bringing together the myriad components that make your electric cooperative work for you.

With your continued support, we can meet the challenges of the future.

Facts and Figures

In 2007, Southern Pine:

- Completed 2,817 new services;
- Worked 588,974 employee hours;
- Sold more than 1.9 billion kilowatt-hours.

2007 electricity sales:

- Peak wholesale kilowatt-hours purchased was 210.9 million kilowatt-hours, in August.
- The average residential meter used 1,332 kilowatt-hours per month.
- The residential bill for 1,000 kilowatt-hours use was \$103.37.

In December 2007, Southern Pine Electric Power Association served:

- 59,793 residential meters;
- 4,447 commercial and industrial services under 1,000 KVA;
- 24 commercial and industrial services over 1,000 KVA.

Other 2007 system facts:

- Miles of lines: 9,950
- Total active accounts: 64,264
- Taxes paid: \$631,414
- Members' equity: 54 percent
- Number of employees: 266

Annual Meeting Prize Winners



Microwave oven
Hannah Howell,
accepting for Iva Lightsey



DVD
Evelyn Gray



TV
Mr. and Mrs. Burnis Miller



Electric grill
Mrs. Steve D. Cliburn



\$1,000 electricity
Jessie Gieger

Southern Pine returns more than \$1 million to electric power association members

Southern Pine Electric Power Association is returning \$1 million to its members in the form of capital credits.

Individual capital credit returns of less than \$100 will be issued in the form of credits to the member's account. For capital credit returns of \$100 or more, Southern Pine will mail a check to the member.

Checks will be mailed and accounts credited

beginning in December.

Southern Pine is a cooperative business, meaning that the company is a not-for-profit organization owned by those it serves. The Association's not-for-profit status allows it to return earnings back to its members in the form of capital credits. The amount each member receives is based on the amount of electricity the member purchased during 2007.

Fees and charges update

Southern Pine Electric Power Association announces the following fees and charges, effective Jan. 1, 2009:

DEPOSITS

Residential

- Residential deposits for new accounts will range from zero to \$600, according to the customer's credit rating.
- A refundable deposit may be required for reconnection on accounts disconnected for nonpayment.

Poultry Farm

- A \$400 refundable deposit is required for each new customer-owned poultry house.
- An \$800 refundable deposit is required for each new account serving leased poultry houses.
- A \$400 refundable deposit for each poultry house may be required for reconnection on poultry accounts disconnected for nonpayment.

FEES

- If an account is disconnected for nonpayment, a reconnection fee will be charged to re-establish electric service, in addition to the past-due amount and any required deposit, as follows:

Reconnection during business hours: \$25

Reconnection after business hours: \$80

- A collection fee of \$25 will be assessed each time an account becomes delinquent and requires Southern Pine to send an employee to collect payment.
- A fee of \$35 will be assessed for each check returned by the customer's bank.

This does not include all Southern Pine fees and charges.

Happy Holidays

Our family of employees wishes you a very happy holiday season.

Southern Pine Electric Power Association

will be closed

Nov. 27 and 28 for Thanksgiving, Dec. 24 and 25 for Christmas, and Jan. 1 for New Year's Day.

A dispatcher will remain on duty for emergency calls only.