



Rising fuel costs affect the cost of generating your electricity

We find ourselves in challenging times. The cost of crude oil, gasoline, diesel, natural gas and all other fuels is rising at an alarming rate. Transportation costs are also increasing the prices of many other goods and services.

Our industry is also being affected by these trends. Fuels such as natural gas and coal are needed to generate electricity, and fuel expenses are, by far, the largest driver of our costs to provide service to you.

Our power supplier uses mainly coal and natural gas to run its generators. Over the past 16 months, natural gas prices have risen more than 60 percent, and coal transportation costs have increased by

nearly that same amount.

We are also facing significant costs for environmental compliance over the next several years.

Our members are directly affected by increasing costs. Unlike other businesses, we do not receive any financial benefit or profit by increasing costs to you. In June, however, we had no other choice but to make a fuel cost adjustment. As a result of the rise in fuel-related expenses, an average consumer will see an increase of about \$5 per month beginning in July.

At Southern Pine Electric Power Association, we take our responsibility to meet your needs very seriously. We will continue to manage our business effectively, especially as

overall fuel costs spiral upward.

We also want to work together with our members to get through this difficult time. One way you can help is to make wise energy decisions—your electricity use over the course of a month is what determines the amount of your bill.

Be sure that your home or business is energy efficient.

Consider purchasing CFL bulbs and energy-efficient appliances to help reduce the amount of energy you use, which can help lower your bill. These items will pay for themselves over time and can save you



By Don Jordan
General Manager

money.

If all of us find ways to reduce the amount of electricity we use, it can help us control our overall costs.

The demand for electricity continues to grow, and we are working hard to make sure our service to you is safe, reliable and as affordable as possible. We will also continue to keep you informed.

If you have questions about wise energy use, need information on energy efficiency or if we can help in any other way, please call or visit any of our offices. Thank you for allowing us to serve you.

Ah, summer...

Swimmers at Pep's Point Water Park (at right) enjoy a cool dip in the park's spring-fed lake, which stays at 64 degrees year-round.

Pep's Point offers scenic beauty, recreation and camping on some 30 acres in northwest Forrest County. Attractions include four cabins, campsites (with or without full hookups), water slide, beach, paddleboats, canoes, mini golf, volleyball, basketball, game room and snack bar. Tube rentals and lockers are available.

There's also plenty of shade. Ten covered picnic tables for small parties and one large pavilion suitable for groups may be reserved.

Frank and Angie Myers have owned and operated the park since 1978.

Served by Southern Pine Electric Power Association, the park is located at 382 Pep's Point Road. Summer hours are 10 a.m. to 6 p.m. seven days a week until school starts, then weekends only.

Group rates are available. For reservations or more information, call Pep's Point at (601) 582-8461.



Bylaws outline annual meeting, election

Article III

Meetings of Members

Section 3.01: Annual Meeting

For the purposes of electing directors, hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the annual meeting of the members shall be held on the second Thursday of the month of November each year, at such place in one of the counties of Mississippi within which the Association serves, and beginning at such hour, as the Board of Directors shall from year to year fix; Provided, that, for cause sufficient, the Board of Directors may fix a different date for such annual meeting not more than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this Section. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Association. It shall be the responsibility of the Board of Directors to make adequate plans and preparation for the annual meeting, and to encourage attendance by the membership at these meetings.

Article IV

Directors

Section 4.03: Tenure and Qualifications

(a) At each annual meeting of the members, directors shall be elected by ballot, by and from the membership of the Association, one director to be elected from each of the counties of Copiah, Covington, Newton, Scott, Simpson, Forrest, Jasper, Jefferson Davis, Smith, Lawrence and Rankin Counties, Mississippi, each director to be elected for a term of three (3) years, in accordance with the following formula, to-wit: (1) At the annual meeting of November 1984, and every three (3) years thereafter, one director shall be elected from each of the counties of Copiah, Covington, and Newton Counties, Mississippi, each of whom shall serve for a term of three (3) years from date of election as provided by law. (2) At the annual meeting of November 1985, and every three (3) years thereafter, one director shall be elected from each of the counties of Scott, Simpson, Forrest and Jasper Counties, Mississippi, each of whom shall serve for a term of three (3) years from date of election as provided by law. (3) At the annual meeting of November 1986, and every three (3) years thereafter, one director shall be elected from each of the counties of Jefferson Davis, Smith, Lawrence and Rankin Counties, Mississippi, each of whom shall serve for a term of three (3) years from date of election as provided by law. If the election of directors shall not be held at the annual meeting or if such annual meeting is not held, each director shall hold office until their successors shall have been elected and qualified. (b) At any meeting, ballots shall not be necessary in the event the number of persons nominated for directors does not exceed the number of directors to be elected, but in such case

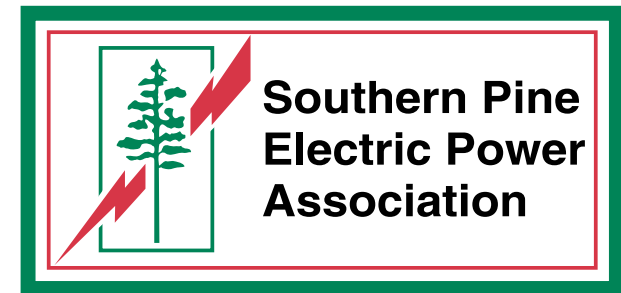
if there be no objection, the directors may be elected in any other proper manner. Drawing by lot shall resolve, where necessary, any tie votes. If an election of directors shall not be held on the day designated for the annual meeting, a special meeting of the members may be held for the purpose of electing directors within a reasonable time thereafter. (c) No person or non-natural person as described in subsection (e) of this section shall be eligible to become or remain a director or to hold any position of trust in the Association who is not an active member in good standing of the Association, has not been a bona fide resident of the county from which they are to be elected for six months immediately preceding the nomination to directorship, or who is in any way employed by or financially interested in a competing enterprise. (d) No person shall be eligible to become or remain a director who has been finally convicted of a felony or misdemeanor involving moral turpitude. (e) In order to be eligible to become or remain a director of the Association, a person must be a member of the Association and receiving service therefrom, and not be a close relative as defined in Section 4.08 of an incumbent director, or the director being replaced. However, the operating or chief executive of any member which is not a natural person, such as a corporation, church, etc., or its designees, shall, notwithstanding that they do not receive service from the Association, be eligible to become a director, from the county in which such member is located, if they or such designee (1) is in substantial permanent occupancy, direction or use of the premises served by the Association, and (2) is a permanent resident within the county where such member is served by the Association; provided further, that no more than one (1) such person may serve on the Board of Directors at the same time.

When a membership is held jointly by a husband and wife, either one but not both may be elected a director. (f) No person shall be eligible to become or remain a director of, or to hold any other position of trust in the Association, unless such person has the legal capacity to enter into a binding contract. (f)-(1) No employee of the association shall be eligible to become or remain a director of the association. (g) Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these bylaws, it shall be the duty of the chair presiding at the meeting at which nominee would be otherwise voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship

or other position of trust in the Association lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause them to be removed therefrom, as the case may be. (h) Nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever, the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this section and in which one or more of the directors have an intent adverse to that of the Association.

Section 4.04: Committee on Nominations, Credentials and Elections

(a) Committee on Nominations. It shall be the duty of the Board of Directors to appoint, at its regular August meeting of each year, a committee on nominations consisting of not less than 5 nor more than 11 members who shall be selected so as to insure equitable geographic representation. No existing Association employees, agents, officers, directors or known candidates for director may serve on such committee. The committee shall receive and consider nominees submitted by members of the Association. The committee shall meet at a time and place set by the Board of Directors. The committee shall prepare and post at the principal office of the Association within fifteen (15) days after the date of their appointment a list of nominations for directors. The Secretary



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shall mail with the notice of the membership meeting a statement of the number of directors to be elected and showing separately those candidates nominated by the Committee on Nominations and those candidates nominated by petitions

which have been received on or prior to the second Thursday of September of the year of such members meeting. Any 50 members acting together may make nominations by petition and the Secretary shall post such nominations at the same place where the list of nominations by the committee is posted. Any petition for nomination shall be submitted on a form designated and provided by the Association. Each member signing such petition shall place thereon the date of signing, address, and account number of the member. At the membership meeting, the chairman shall call for additional nominations from the floor. No member may nominate more than one candidate.