



**Planning. Building. Partnering.**



**Singing River Electric Power Association - 2008 Annual Report**

**Cooperative Profile** - Formed in 1938, Singing River Electric Power Association is an electric distribution cooperative serving residential, retail and commercial members in Jackson, George, Greene, Perry, Wayne, Stone and Harrison counties in Mississippi, as well as Mobile and Washington counties in Alabama.

The second largest electric co-op in Mississippi, Singing River Electric provides electric service to over 69,000 members and is the 45th largest of more than 900 electric co-ops in the nation. The co-op sold more than 1.47 billion kilowatt-hours

of electricity in 2008. As of the end of 2008, the co-op had 198 full-time employees working out of three offices and maintained 6,824 miles of line.

Created by local people to meet needs in the community, Singing River Electric was founded on the cooperative principles and still adheres to them today. This philosophy and focus on our member-owners are what make Singing River Electric unique.



**2008 Highlights**

- ❑ Added 2,887 new services with 999 new members.
- ❑ Ended the year with 6,824 miles of distribution power lines, including 1,178 underground and 5,646 overhead power lines.
- ❑ Provided electric service to 69,026 members.
- ❑ Recleared 800 miles of right of way.
- ❑ Energized Kittrell substation serving Greene and Wayne counties.
- ❑ Completed 10-year long-range plan.
- ❑ Recovered over \$1.4 million in Hurricane Katrina costs from MEMA.
- ❑ Facilitated a \$1.1 million zero-interest USDA loan to George Regional Health System.

- ❑ Awarded \$15,000 in Neighbors Helping Neighbors community grants.
- ❑ Presented electric safety education to 10,000 students and adults.
- ❑ Completed 772 personalized energy audits for members.
- ❑ Certified 282 Comfort Advantage homes, 19 of which were CA Plus.
- ❑ Installed 20,933 AMR meters and read 47,476 meters efficiently and accurately with newly-installed power line carrier based technology.
- ❑ AMR meter data allowed Singing River Electric personnel to provide in-depth data to members about their electric consumption patterns.
- ❑ Distributed CFL coupon that members used to purchase 9,300 CFL bulbs.
- ❑ Facilitated blood drives, collecting 182 pints.



**Mission Statement** - Singing River Electric exists to enhance the lives of our members and communities by providing safe and reliable service at the lowest possible cost while promoting energy conservation.

**Singing River  
Electric's  
70th Anniversary  
1938-2008**

**Early History of Singing River Electric** - Thomas Edison invented the light bulb in 1880, and the first central station generating system in the nation went into service two years later. However, 53 years later only 10.9 percent of America's farms had electricity.

Some electric companies extended their power lines into rural areas for a price. In the 1920s and 1930s that price ranged between \$2,000 and \$3,000 per mile. In addition to the line costs, the power companies charged the farmer a higher usage fee than city residents. These were also the years that the Great Depression gripped Americans.

As part of his cure for the depression, Franklin D. Roosevelt created in 1935 the Rural Electrification Administration. It originally served as an unemployment relief program for building lines. Three months after its inception, Roosevelt transformed it into an organization similar to a bank that offered to loan money to power companies for building power lines across rural America.

However, power companies failed to seize the opportunity for financial aid to take electricity to outlying areas. It became clear that if rural America wanted electricity the people would have to do it themselves.

The next year, 1936, Congress passed the Rural Electrification Act. This act allowed residents to form their own non-profit groups to get financial assistance for building lines.

In 1938, residents in what is now served by Singing River Electric Power Association took charge of bringing power to the people. It began at a meeting on August 31, 1938, at 9 a.m. in the George County Courthouse in Lucedale.

To qualify for the REA loan, the association had to register three members per mile of line to be built. Membership fees cost \$5 per house. Solicitors earned \$5 per day and three cents per mile. The loan did not cover payment for rights of way and residents were asked to donate easements. At that time, homeowners paid between \$16 and \$30 to have their homes wired.\*

By the end of 1941, SREPA served 1,135 members along 427 miles of line. Today, as we look back on 70 years of service, Singing River Electric serves 69,026 members and 6,824 miles of line in seven counties in Mississippi and two in Alabama.

*\* excerpt from "Singing River Electric - The Early Years" by Nancy Jo Maples.*



## Restoring power at home and in Louisiana



**Hurricanes Gustav and Ike** - Singing River Electric crews restored service to 7,000 members following Hurricane Gustav which impacted the Louisiana and Mississippi Gulf Coast on Sept. 1, 2008. Once repairs were complete at home, an 18-man crew left to help with restorations in Denham Springs, La. Just 12 days later, Hurricane Ike hit the Texas and Louisiana Gulf Coast and Singing River Electric crews traveled to Houma, La., to help with restoration efforts there.

Cooperation among cooperatives is one of Singing River Electric's founding principles and working together, especially following a storm, is visual proof of the great strength that results from cooperation.



**What Is Cap and Trade?** - A market-based policy tool that attempts to set a maximum limit on all carbon emissions. Producers of carbon, such as power plants, must then comply through pollution controls, efficiency measures, and/or the sale or purchase of emission allowances to stay under the limit.

*President Obama recently told Congress that cap and trade legislation would be a key element to transforming our nation's energy and electricity systems. In reality, a cap and trade system would be a tax on carbon, designed to reduce the use of fossil fuels like coal and natural gas. Any legislation based on such proposals will have significant effects for the Southeast region of the U.S. because our region primarily uses fossil fuels to generate electricity. Our electric costs are lower than much of the country; however, we need a balanced mix of generation resources and the ability to use coal in order to keep our generation costs low.*

Visit [www.singingriver.com/climate.html](http://www.singingriver.com/climate.html) or [www.findabalancedsolution.com](http://www.findabalancedsolution.com) for more information on this topic.

**Manager's Message** - 2008 brought sudden shock to the entire country as our financial institutions began to weaken. Slowed growth, higher unemployment and the weaker credit markets did reduce Singing River Electric Power Association's member growth. However, in spite of all that has happened, the association added 999 new members in 2008.

The Obama administration and Congress have signaled their intentions to address climate change. The proposals call for a new cap and trade system to address CO<sub>2</sub> output for all industry groups. This new carbon tax will lead to dramatic increases on your electric statement each month. For this reason, Singing River Electric will be changing its billing statements early next year to separate the environmental compliance component.

Singing River Electric's board of directors and staff will continue to work on your behalf to let both state and federal legislators know the impact of

proposed legislation. We are all concerned that the price of electricity will become out of reach for our members.

On the positive side, our local and state economies are in better shape than most in the United States. Singing River Electric is also in good financial shape, and we expect positive growth in 2009.

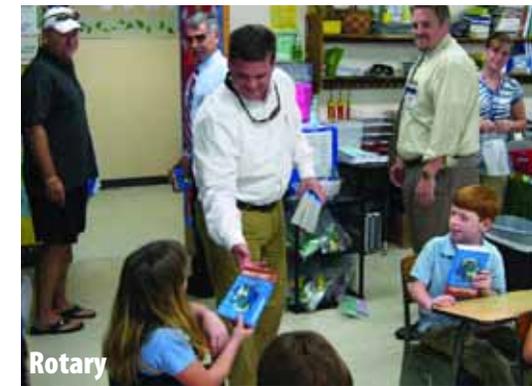
Our personnel are currently working with economic development groups on five new or expanded industrial parks. George and Jackson County Economic Development Foundations are positioning themselves for growth and jobs. This advanced planning will pay many dividends as the economy rebounds.

General Manager and CEO  
Singing River Electric



## Committed to our communities...

**Working for the Greater Good** - Singing River Electric's employees volunteer countless hours and donate tens of thousands of dollars each year supporting the community through civic clubs, United Way, walks for causes, youth sports, local churches and more. It's all part of being a good neighbor in the places where we work and call home.



**Helping Our Communities** - The Neighbors Helping Neighbors Community Grant program touched organizations throughout Jackson, George and Greene counties in 2008 as a total of \$15,000 was given to the Southeast Mississippi Chapter of the American Red Cross, City of Gautier, Fontainbleau Volunteer Fire Department, George County Sheriff's Department, Greene County School District and Ocean Springs Middle School.

Singing River Electric partnered with its generation and transmission cooperative, South Mississippi Electric Power Association, to award a \$15,000 economic development grant to both Mississippi Export Railroad and Luce Packing Company in June 2008. The grants will be used to build access roads at the 640-acre industrial park located in Helena and a 20-acre commercial/light industrial park in Lucedale.

In addition, Singing River Electric began working with George Regional Health System on a \$1.1 million zero-interest loan by the U.S. Department of Agriculture's Rural Business Service. The loan was approved in 2008. Funds will be used to purchase equipment allowing the hospital to become more efficient and better prepared to help the residents of George and Greene counties diagnose breast cancer and heart disease.

Economic development efforts were also accomplished by employees serving on the board of directors and as volunteers for both the George County and Jackson County Chambers of Commerce. Employees also acted as company representatives in civic organizations such as Rotary Clubs and Kiwanis Clubs. These employees become members on behalf of the cooperative but also volunteer time and money outside of work for the success of the organization's efforts.

Employees also volunteer countless hours within their communities at churches, schools, little-league sports and more. For George County Relay For Life, various fundraisers helped Singing River Electric employees raise more than \$8,500 in 2008. United Way for Jackson and George Counties is also an annual campaign that employees support through payroll deductions and serving as board and committee members. In 2008, Singing River Electric employees raised more than \$12,500 for United Way and its 23 member-agencies.



## Planning. Building. Partnering.



**Four-year Construction Work Plan** - In 2008, Singing River Electric engineering staff completed and received board approval for a new four-year construction work plan that will lead Singing River Electric's engineering efforts from 2009-2012. The plan will outline necessary construction and upgrades to distribution facilities that will provide reliable electric service to approximately 80,536 member-consumers by the end of the year 2012.

This document serves as the blueprint and budget for all system improvements over the next four years.



**Keeping the Lights On** - Building power lines is an important task, and keeping those lines free of debris such as tree branches is key in making sure your power stays on. Singing River Electric's right-of-way reclearing plan trims trees and removes loose or hanging branches so that these items will not interfere with the lines or your electricity.

Another way power outages are prevented is through monthly substation assessments. Substation technicians inspect batteries, insulators, transformers and other pieces of substation hardware looking for potential problems.

These are just two ways Singing River Electric proactively works to keep the lights on.

**Long Range Work Plan** - Singing River Electric's mission statement references the need for reliable electric service. Lights come on when members flip the switch because the cooperative's engineers develop long range plans geared to ensure system reliability for decades at a time.

"Our long range plan serves as a road map for where we think we are headed in the next 10 years," explained Singing River Electric Assistant Manager Mike Smith. "We must determine what our future needs are, how to meet those needs and how to proceed in designing and building our system."

The current long range plan projects system work and takes into consideration past and projected customer growth, financial needs, system upgrades and new construction. The most recent system peaks, when energy use was at its highest, is also used as a basis for this projection. All of this information is input into computer software to build a model of Singing River Electric's system.

"Using projected growth percentages, we grow the model until the electrical system develops capacity and voltage issues," said System Engineer Tom Davis. "The long range plan ultimately provides a list of projects to eliminate potential problems before they occur." This plan is also used to complete financial forecasts determining rates and incoming revenue as well as power requirement studies helping South Mississippi Electric determine generation and transmission needs.

Singing River Electric's work in the coming years focuses on 23 substation projects, ranging from simple capacity changes to complete rebuilds of existing substations. The system saw record residential growth over the three year period of 2006-2008 and must be able to handle the addition of more members and more demand for electricity in the future.



## Committed to education and safety...

**Youth Leadership Workshop and Youth Tour of Washington, D.C.** - Robert Wineski from Ocean Springs High School, Laura Polk from East Central High School and Phillip Bridges from Perry Central High School were selected to represent Singing River Electric at a leadership workshop in Jackson, Miss. in March 2008 as well as on a tour of the nation's Capital in June 2008. These three students were nominated by their respective high schools and were chosen to attend both events after participating in an interview process. All candidates were required to have a minimum 3.0 grade point average, be involved in extracurricular activities and have a parent or legal guardian who is a Singing River Electric member.



**Safety First** - As part of Singing River Electric's commitment to the safety of its employees, monthly safety meetings are held for employees. Topics range from driving safety to utility-specific training. Personnel from Electric Power Associations of Mississippi and Singing River Electric conduct these meetings.

All linemen are tested annually on pole top rescue skills. The training exercises simulate the rescue of an injured co-worker working on electric lines, whether the injury was electricity related or health related such as a heart attack or stroke. CPR and first aid certifications are tested and renewed each year for linemen with training offered to office employees on a volunteer basis. Many employees have used these skills off the job to save lives.

To ensure the effectiveness of equipment used by Singing River Electric linemen, daily checks of personal protective equipment such as rubber gloves and tools keep safety on the minds of all line employees. The mechanical parts of digger derrick and bucket trucks are inspected daily before going into the field, and these trucks undergo dielectric testing each year to ensure proper insulation from electricity. "If something has dielectric value, it means it can safely come in contact with energized lines or parts," said Singing River Electric's Manager of Risk

Management and Right of Way Buck Williams. "We test our bucket and derrick trucks to make sure the dielectric integrity isolates and protects our linemen while working on energized power lines."

Safety for Singing River Electric does not end with employees; it crosses over to education with "Safety City" demonstrations to children and adults at school events and community festivals. Singing River Electric personnel demonstrate the different ways a person at work or play can encounter power lines and how to avoid these situations. With a small amount of electric current flowing through the display, spectators can see the sparks flying from a piece of equipment to a power line and learn what to do when faced with downed power lines.

In addition to promoting electric safety, Singing River Electric supports area schools in the form of scholarships. More than \$6,000 in scholarship funds was donated for high school seniors in 2008 through programs such as Explosion of Excellence in Jackson and George counties and other worthy causes.



## Planning. Building. Partnering.



**Underground Lines** - Numerous requests for underground service came in 2008 from builders of new apartment complexes and neighborhoods in west Jackson County. Underground lines are aesthetically pleasing since they are not seen, but these lines cost more than overhead lines because of the insulation needed to protect the wire and make it more durable in the ground. Underground lines also take more time to install.



**AMR Hardware** - All new and upgraded substations are equipped with Automated Meter Reading (AMR) hardware, a necessary component of communicating electricity use readings from a member's meter to Singing River Electric's main office where billing takes place. In 2008, Basin, Big Point, Escatawpa South, Forts Lake, Helena, Hickory Hills, Kittrell, Lucedale South, Monaco Lake, Orchard Road, Rocky Creek, Sand Hill, Sawmill, State Line and Wade substations had AMR hardware installed.

Since starting the system-wide AMR initiative in late 2005, 30 substations have been equipped with AMR hardware. Complete implementation of AMR throughout Singing River Electric's service area is expected by 2009/2010.

**Substation Upgrades** - With Singing River Electric's long range plan taking into account the record amount of residential growth in the years 2006-2008 and the potential of increasing growth in the coming years, overhauls of the cooperative's substations became a major project starting in 2008.

Substations receive electricity from transmission lines and step it down to a lower distribution voltage before feeding the lines to member homes and businesses. The amount of power a substation can handle determines how many homes and businesses can be fed. Substations must be able to provide adequate capacity to handle the demand for power during peak conditions in extreme summer heat or severe winter cold.

Kittrell substation in Greene County was newly constructed in 2007 to increase reliability at the northeast end of Singing River Electric's system. In March 2008, the transformers served by this sub were converted to a higher voltage. This sub now serves as the backup for the State Line, Sand Hill and Leakesville substations. For other substation projects occurring in 2008, Singing River Electric opted to

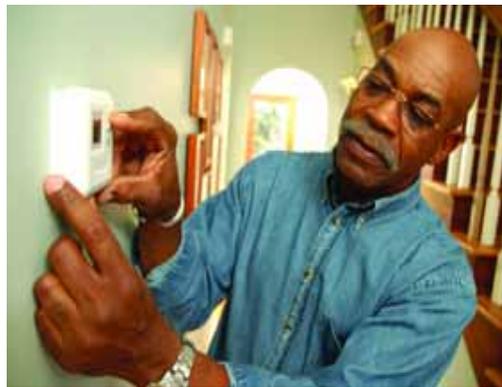
upgrade and rework existing subs instead of building at new locations. "We are using the resources we already have to increase our substation load capacity: land, transmission lines and general set up of the grid," said Singing River Electric Project Engineer Brian Hughey. "While we will be building new substations adjoined to existing subs, we have a lesser cost compared to purchasing land at a different location and building everything from scratch."

Substation work in 2008 saw power transformer upgrades at Aleco and Vanleave sub to meet the growing needs in Vanleave and the Broome community. Singing River Electric began building an adjoining structure at the Helena sub to double its capacity and make it the back-up for neighboring subs. The Agricola and Benndale substations prepared for a rebuilding of their sub structures with land clearing and fence building at these two sites.

In 2009, Singing River Electric engineers are planning to complete projects at Helena, Agricola and Benndale substations as well as rebuild Tucker Road and Rocky Creek subs.



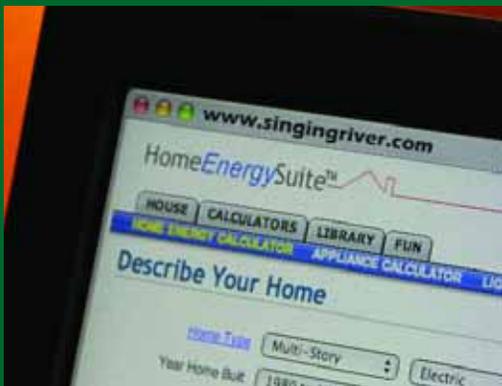
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**Energy Savings at the Office** - Singing River Electric formed an internal energy committee tasked with reducing the overall energy consumption at the Lucedale, Gautier and Sand Hill office locations. It was the cooperative's attempt to "practice what we preach" to members. After installing occupancy sensor light switches, changing bulbs to CFL bulbs and encouraging employees to turn off their office lights and computers when leaving for the day, Singing River Electric used 228,500 less kilowatt-hours compared to 2007.

**Home Energy Calculators** - Do you want to know how much money you could save on your monthly power bill by installing five CFL bulbs in your home? Or how much electricity each of your appliances use? These questions can be answered by using Singing River Electric's online energy calculators for your overall home, appliances, lighting and televisions.

Check your own energy use at [www.singingriver.com](http://www.singingriver.com).



**Partnering to Save Money** - Singing River Electric continued its partnership with members in 2008 to manage energy use by increasing energy-efficiency efforts at member homes and businesses.

Compact fluorescent light (CFL) bulbs came to the forefront of Singing River Electric's efforts. In addition to demonstrating the "CFL bulbs vs. Incandescent bulbs" light display and giving away bulbs at the annual meeting, community presentations and home and garden shows, a \$4 coupon for GE Energy Smart™ CFL bulb multi-packs was mailed to each member in the August 2008 billing statements. Members collectively purchased more than 9,300 CFL bulbs using the coupon. The CFL campaign could not be complete without providing a way to safely dispose of used CFL bulbs, so Singing River Electric became one of Mississippi's first CFL bulb recycling centers and placed recycling buckets in each of its office lobbies.

For members wanting to lower energy use in their existing home, Singing River Electric member services representatives performed 772 free energy audits in 2008. "Before conducting an energy audit, we pull a member's day-to-day energy use data from the AMR system to determine that member's energy consumption habits so

that tailored recommendations for the member's home and lifestyle can be made," said Singing River Electric Member Services Representative Jeff Gray. Representatives share basic and cost-effective tips that when followed become good habits in using less electricity. The same energy tips were featured in print and radio advertising and the "Expert Energy Tip" column in the monthly *Today in Mississippi* member publication. The ads and tips often included a link to [www.singingriver.com](http://www.singingriver.com) where more information on energy-efficient practices is always available.

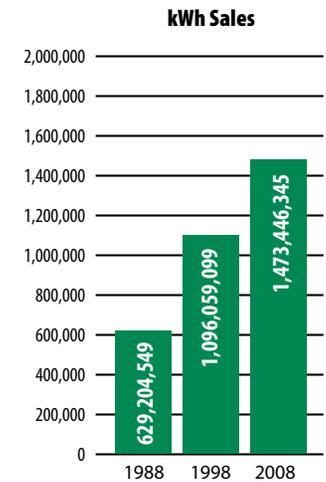
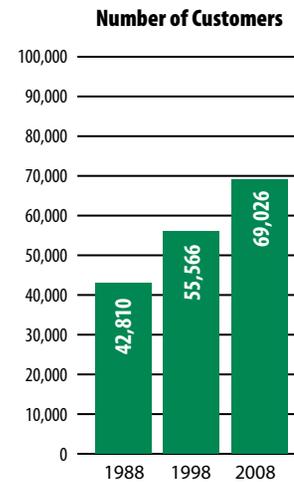
In 2008, Singing River Electric celebrated 20 years of offering energy-efficient home financial incentives, initially with the original Comfort Home program and today with the Comfort Advantage and Comfort Advantage Plus programs.

Thanks to these energy management programs and efforts, Singing River Electric is helping its members save energy and keep electric bills lower.

# Service Area and Statistics



**Service Area Map** - Singing River Electric Power Association provides electric service to member/consumers in Jackson, George, Greene, Perry, Wayne, Stone and Harrison counties in Mississippi as well as Mobile and Washington counties in Alabama.



## Affiliations

**South Mississippi Electric Power Association** is a generating and transmission cooperative based in Hattiesburg. South Mississippi Electric serves over 400,000 members through its 11 member distribution systems, including Singing River Electric Power Association.

**Electric Power Associations of Mississippi** represents 26 electric power associations in the state. The statewide trade organization assists cooperatives with issues involving safety, employee training, communications (including the publication of *Today in Mississippi*), and legislative matters, as well as coordinates the annual Youth Leadership Program and assistance for cooperatives during natural disasters.

**National Rural Electric Cooperative Association** is a national service organization, which assists cooperatives in developing policy positions on national issues and offers group insurance, retirement benefits, management training, conferences, consulting and safety training.

**Touchstone Energy** is a national alliance of 680 local, consumer-owned electric cooperatives providing high standards of service. Touchstone Energy cooperatives deliver energy to more than 30 million customers in 46 states every day. Touchstone Energy cooperatives serve their members with integrity, innovation, accountability and a long-standing commitment to communities.

# Board of Directors

*Cooperatives are democratic organizations, owned by those who are served. Members serve as directors and are accountable to the membership. The board meets monthly to review and approve business actions of the cooperative.*

*Directors are elected by the membership at the annual meeting to represent their district. District 1 includes membership from Jackson and Harrison counties in Mississippi. District 2 includes membership from George and Stone counties in Mississippi and Mobile County in Alabama. District 3 includes membership from Greene, Perry and Wayne counties in Mississippi and Washington County in Alabama.*

*Three director positions are elected each year (one from each region) to serve three-year terms.*

District 2  
**Roy Grafe**, President  
Retired Mechanical Engineer

District 3  
**Ronald "Bo" Hall**, Vice-President  
Dental Laboratory Technician

District 3  
**Kristal Sisson**, Secretary  
Educator

District 1  
**Cary Williams**, Treasurer  
CPA/ Financial Planner

District 1  
**S. J. Henderson**  
Timber Harvester

District 1  
**Ralph Hicks**  
Farmer, Timber Producer and Cattleman

District 2  
**Travis Baxter**, SMEPA Board Representative  
Retired Shipyard Supervisor

District 2  
**G. A. "Don" Parnell**  
Retired Justice Court Judge

District 3  
**Frank Ely**  
Retired Mississippi Highway Patrol and  
Mississippi Legislature

Board Consultants:  
**Mark Maples**, Board Attorney  
Maples Attorney at Law  
Lucedale, Miss.

**Terry Mitchell**, CPA  
Jackson Thornton & Co.  
Montgomery, Ala.

## Staff

**Lee Hedegaard**  
General Manager and CEO

**Mike Smith**  
Assistant Manager and  
Director of Engineering

**Dianne Davis**  
Executive Secretary

**Sarah Sue Bray**  
Manager of Office Services

**Jeff Catlett**  
Engineer

**Tom Davis**  
System Engineer

**Lorri Freeman**  
Manager of Communications

**Brian Hughey**  
Engineer

**Tammy Hultz**  
Controller

**David Miller**  
Manager of Information Technology

**Ace Necaize**  
Gautier District Manager

**Annette Riley**  
Manager of Human Resources

**Buck Williams**  
Manager of Risk Management and  
Rights of Way

