

SCANNER

NOVEMBER 2010 - VOLUME THREE - ISSUE FOUR

***RAILCAR MAINTENANCE CREWS
KEEP FLEET ROLLING***

PROTECTING ENDANGERED SPECIES

***MICROWAVE NETWORK
EXPANSION PROGRESSES***



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The Scanner Magazine is published quarterly for employees and retirees of South Mississippi Electric
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Cover photo: Railcars wait in line for inspection at Plant Morrow

STAYING CONNECTED WILL HELP US BE SUCCESSFUL



Jim Compton,
General Manager/CEO

We operate a complex business in an environment that is constantly changing, both externally and internally. One of the tools we must use effectively as we address the challenges of our industry is communication. It is very important that we stay connected and continually share information about the vision and goals that we have as an organization, as well as the successes and setbacks that we experience.

Part of my communication effort has been to create a day-long meeting of all management personnel – our Total Management Team. These meetings take place every six months as a way to provide information from across all departments so that those attending can update their employees. For each meeting, various employees and supervisors are selected to make presentations about projects, changes and positive developments occurring within the Association. I believe the meeting has been valuable in helping everyone understand our overall planning and decisions, the status of major projects, and the role each department plays in South Mississippi Electric's day-to-day operations.

At the October 2010 meeting, we also invited an outside speaker, Dr. Brian Collins, a business and management professor from the University of Southern Mississippi. Dr. Collins spoke about the importance of communication in organizations. His message was that organizations are formed in order for people to accomplish tasks which they cannot do by themselves. The difficulty is that for an organization to be successful, all

members need to find ways to move forward together, sharing the same visions and goals. As we all know, that is not always easy.

Additionally, each individual has a finite amount of time and energy to bring to any undertaking. We all have numerous roles we must fill in our lives – not only as employees but as spouses, parents, siblings, caretakers, providers, church members, or hundreds of other possibilities. Somehow we must find ways to balance all of these roles and make the most of the time and energy we bring to each one. At work, we need to be as efficient and effective as possible in order to be successful.

Communication is a tool that we often take for granted. In order for the process to be successfully completed, it requires someone to send a message and someone or others who are meant to receive it. Dr. Collins pointed out that many different filters and perceptions can distort the process and lead to miscommunication. As many of you have heard me say, "I know what I am saying, but I am not sure what you are hearing."

With all the work we have to do and with all the challenges we face, making time for Total Management or All-Employee meetings is difficult. But I believe Dr. Collins had a valuable message for all of us. The better we are at communicating and understanding the vision and goals of the Association, the more likely we are to be more effective and efficient at work. In turn, that leaves more energy and time for family and other life pursuits. So get connected with your supervisor and with those under your direction. We all will benefit and our organization will be even more successful as a result of these efforts.

FORMER BOARD PRESIDENT DIES



Dr. Harlan B. Rogers, a 24-year veteran of South Mississippi Electric's Board of Directors, passed away on September 22 at the age of 81. Dr. Rogers, who served as president of the SME Board from October 2003 until June 2006, was one of only three Board presidents to lead the Association during the past 25 years. In addition, he served as vice president of the SME Board for ten years and was a long-time director of Southern Pine Electric Power Association.

Rogers was a well-known dental surgeon who practiced in the Collins area for 40 years. He founded the Rogers Bar HR Ranch and was the nation's leading Charolais cattle rancher. He organized Covington County Bank and

served as chairman of the bank's board of trustees, and he also served on numerous local, state, and national boards.

Rogers served in the United States Army after World War II and during the Korean War, receiving two Bronze Stars. His remarkable life is documented in his autobiography, *It's Been Fun*.

"Our Board of Directors establishes policies and oversees the overall direction of our Association," said Jim Compton, general manager/CEO. "We have been very fortunate to have had excellent Board leadership for the past 25 years, which has enabled our organization to make great strides in serving our Members. Dr. Rogers' dedication and contributions to South Mississippi Electric will long be remembered and appreciated."

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Railcar Maintenance Crew Provides Vital Function

In the Plant Morrow railcar shop, located next to the warehouse several hundred yards from the plant's powerhouse, three long-time South Mississippi Electric employees toil day-in and day-out to maintain the plant's most important lifeline – the cars that transport the coal used to fuel the facility. Two trains of 105 cars each make the 1,600-mile round trip from a Kentucky or West Virginia mine to Morrow's coal yard on a continuous basis. Mechanics Robert Davis, Randy Smith, and Jerry Denson are charged with the daunting task of maintaining each car in SME's 230-car fleet to ensure that the railcars comply with ever-changing, rigorous transportation and safety standards and remain a reliable link in the power generation process.

The veteran three-man crew has a total of 80 years employment service with SME, with more than 60 combined years of experience maintaining the Association's railcars (Davis-27 years; Smith-21 years; Denson-15 years). Davis originally attended a school specializing in railcar maintenance and has helped train his fellow employees on the job. Each team member has participated in a variety of regular training and certification programs. The result of their expertise, knowledge and hard work is an industry-wide acknowledgement that South Mississippi Electric has one of the most dependable, well-maintained fleets in the rail system.

"Very few companies have their own rail shops anymore," said Smith. "The three of us are about the only mechanics around who are certified to do the work we do on our cars. In our department, we consider what we

do to be part of a great public service. Plant Morrow could not generate electricity without the trains running safely and reliably. We might not get much public recognition for what we do, but we get great satisfaction in doing the best job we can and in successfully keeping the cars rolling."

Since the shop opened in 1980, the often-overlooked service has resulted in significant savings for the Association. Costs for in-house maintenance and repairs are less than one-half of what the railroad or outside vendors would charge for the same services.



Mechanic Jerry Denson inspects the springs on a railcar truck assembly.

"Our job is to try to catch problems before the railroad does," said Davis. "If they find anything defective, such as bad bearings or brakes, they have to pull a car out of the train and do the repairs, charging us back for labor, parts and service. If we can prevent a problem or catch it beforehand, it can save our Members a lot of money."

Mechanics (left to right) Robert Davis, Jerry Denson and Randy Smith perform all of SMEPA's railcar maintenance



In 2005 and 2006, SME replaced its 15-year-old fleet of cars with the current aluminum-car fleet manufactured by Trinity Rail. Because the aluminum cars are lighter, their coal capacity increased from 105 tons per car to 119 tons per car. The overall weight of the train decreased, however, making the fleet more efficient.

Each time one of the two 105-car trains unloads coal at Plant Morrow, approximately ten cars are removed from the train for inspection purposes. The cars pulled previously, now inspected and repaired, if necessary, are returned to the outbound train. The process creates a constant rotation, meaning that each railcar is inspected twice a year and receives necessary maintenance. All cars must also pass a brake test each time an inspection is performed before the railcar can be released for service onto open tracks. In addition, the Norfolk Southern Rail System inspects each car every 2,000 miles.

Davis, Smith, and Denson have developed an efficient working relationship in order to subject each car to a thorough inspection. Depending on the task, the group works individually, in pairs or all together to ensure the performance of everything from the pressure within the air tanks to the grade of the wheels. The most common problems involve the pneumatic doors and rotary systems that enable the five hoppers in each car to be remotely controlled and unload coal over Plant Morrow's trestle area. Pins that hold the doors closed often break, as do the spool valves used to open the doors.

"The door pins often need changing, each averaging a couple of hours to replace," said Davis. "These new door systems are more of a challenge to us than the doors on the old railcars, but we learn as we go. As with anything, the older the cars get, the more maintenance they will require."

Other typical repairs include changing brake shoes, removing coal trapped in the car's flanges, and replacing wheels, the most important component on the car and the one most costly to repair.

The wheels are cast from solid-tempered steel in order to withstand the constant pressure of rolling along the tracks. Two wheels connected by an axle constitute a set, and there are two sets used together – along with brakes, springs and other components – in a "truck." Each car has two trucks. The mechanics use a variety of standardized measuring tools to inspect every aspect of the wheels and trucks. Wheels are replaced as their

bearings wear out; when considerable wear shows on the wheel itself; or if noticeable damage is detected. An average of one to two new wheel sets is put on a train during each cycle through the plant, with each set of wheels lasting three to five years.

"These (current) wheels are the best we have ever had on our railcars," said Davis. "We expect the trucks on the cars to wear out in the coming years as they age, but our only maintenance for now is general upkeep." Davis and his coworkers also reverse the direction of the cars on a regular basis to evenly distribute the wear on the wheels.

Each member of the crew believes that their first priority is safety. The last thing anyone would want would be for an equipment failure to cause a major problem while a train is in transit, which would cause lost productivity. "When the cars leave here on a trip, we know we have done everything we can to ensure that the cars get to the mine and back safely," said Denson. "It is our responsibility on a daily basis to make sure we do not overlook anything."

"After 10 years in my current position overseeing the men in this shop, it still amazes me how meticulous they are and the things they catch," said Trevor Cameron, coal and utility supervisor. "They are held to high standards – the shop, equipment, and their procedures are inspected every year by the Association of American Railroads. In addition, they each must be recertified every three years on administering brake tests."

"This job is not only highly physical, but requires individuals who are experienced, highly-skilled, highly-trained and knowledgeable. They often work under difficult conditions; but when those trains leave here, we know they are as well maintained as they can possibly be."



Coal trains at Plant Morrow can normally be unloaded in less than one hour

Unprecedented Microwave Expansion Continues

The instantaneous communication of data and real-time measuring and monitoring of transmission and generation systems are critical to South Mississippi Electric's primary operations. The communications highway for this vital function, which operates 24 hours a day, seven days a week, is SME's 37-tower digital microwave network.

Over the next several years, the network will undergo a significant expansion, with the addition of 69 new towers. Upon completion, SME's network will span most of the state, reaching from the Mississippi Delta to the Gulf Coast. For the first time in system history, SME will own a high-capacity communications network in all three of its transmission service areas.

Nine new towers currently under construction along the Coast will upgrade the communications links for some of the substations for which SME will assume generation responsibility in April 2011. Those Member delivery points are currently served with electricity generated by and purchased from Mississippi Power Company. It was not necessary for SME to maintain full communications equipment at

those sites until now. The future expansion in the Delta and western Mississippi area will provide for expanded communications capabilities in those areas served through the Entergy Mississippi transmission system.

"Microwave towers are regularly constructed at new substations to provide communications between the station, the control center, and generation facilities," said Richard Ashley, design engineering director. "The towers permit the transfer of supervisory control and data acquisition (SCADA), telephone communications, and security monitoring." New towers are also required for expansion into new areas to replace unreliable phone and data circuits or to bridge a communications gap between two points.

Ideally, two years of planning precede the physical construction of a tower and its associated components. This normal timeframe allows for design engineers to adequately define the project, contracts with Rural Utilities Service to be completed, rough specifications to be drawn, and funds to be allocated in the SME budget. However, the current expansion project began in the summer of 2009, compressing the schedule significantly.

Ashley, along with fellow engineers Kelly Massa and Scott Speed, typically design each system configuration and tower in the network. "Over the course of one year, Kelly, Scott and I would normally design an average of two to three towers, which has been the standard over the past 20 years," said Ashley. "The current project load of 69 towers is unprecedented. The timeframe and scope of this project warranted the need for an outside source to assist with tower design, as well as other aspects of the project."

Engineering and construction design firm Burns & McDonnell is assisting with the current network expansion, working closely with Ashley, Massa, and Speed to prepare bid documents and evaluate proposals for tower construction, manage construction, and conduct inspections throughout the process, as well as helping to complete the initial design phase.

The communication systems are designed in either a loop configuration or with hot standby stations, or a combination of both. In a loop configuration, when a glitch occurs, the system automatically reroutes itself to overcome the problem. Tower sites designed as hot standby stations rely on redundant radios to serve as their backup to help prevent communication failure. Once the system configuration is determined, tower design begins.

"The first element in the design of the tower itself is location," said Ashley. "The majority of our towers are at substations; but when the distance between the substation and next point in the communications loop is too great, we must construct a stand-alone site. Stand-alone sites are placed strategically between the points where the gap exists. For example, our Oloh tower bridges the gap between Plant Morrow and the Columbia substation." Equally important considerations include the elevation of each site and the terrain between the two communications points. Trees and other vegetation, changes in elevation, and the distance between the endpoints all determine the height and composition of the structure.

Location also plays an important role in determining the type of tower to construct. SME's towers are a mixture of monopoles, 3-leg self-supporting structures, and guyed towers. Guyed towers offer the most flexibility in

design and are easiest to modify; however, the associated guy wires require three to five acres of land area. Monopoles and 3-leg self-supporting towers eliminate the need for guy wires. Self-supporting towers require only about 10,000 square feet of land, often making these the most viable options. Monopoles are generally 120 feet tall or less, although they can be constructed as high as 200 feet. Self-supporting towers are used for heights that exceed the monopole range.

"The majority of the towers in the expansion are self-supporting towers, primarily due to the land requirements associated with guyed towers," said Ashley. "While self-supporting towers are not as flexible as guyed towers when it comes to future expansion, we incorporate the possibility of future expansions into the plan for each tower so that this will not become an issue later."

Regional weather conditions also play a role in tower design. Towers constructed along Mississippi's coastal counties in hurricane-prone areas are constructed to withstand winds up to 150 miles per hour. Structural steel is fabricated with more bracing and more rigidity. In contrast, towers constructed in the Delta are designed to withstand only 90-mile-per-hour winds. Tower foundations in the Delta might average six feet in diameter and 35 to 40 feet in depth, compared to the foundation averages along the Coast of eight feet in diameter and 55 feet in depth. (Coincidentally, the concrete mixture approved for the tower foundations along the Coastal route contains flyash purchased from the R.D. Morrow, Sr. Generating Station.)

Securing components and construction contractors for each project also requires time and planning. Costs range from \$100,000 for a small structure to \$450,000 for a 400-foot tower. Steel is the chief component of a tower and also the most costly. Other standard parts are dish antenna systems, waveguides or coaxial cable (depending on the tower), and grounding. The

Technicians must climb the towers to make final adjustments on the antenna dishes

Federal Aviation Administration also requires towers more than 200 feet high to have lights. Stand-alone sites include a pre-fabricated concrete equipment shelter to house communications and other electrical equipment, batteries, DC power equipment, and an air conditioner to maintain temperature and humidity levels. Tower sites also typically have an LP gas-fueled emergency standby generator to provide AC power when station service is lost. Equipment for towers located at substations or other facilities such as the Field Operations Center is typically housed within the existing structure.

Contractors who specialize in projects of this nature complete the actual construction of the tower. Construction, from bare ground to a fully functional communications tower, generally takes eight weeks or less.

During the last phase of construction, the antenna dishes must be adjusted to effectively transmit their microwave signals. The antennas are a combination of aluminum and steel and average six to eight feet in diameter. Antennas installed on the new Gulf Coast towers, however, will measure 10 feet in diameter, and some Delta antennas will measure 12 feet in diameter, to accommodate a longer than normal distance between towers.

Computer programs are used to determine the strength at which signals at each tower should peak, indicating the precise position necessary for optimal performance. Climbers on each of two facing towers manually loosen bolts and adjust each antenna according to instructions relayed from an operator in the control house.

"Imagine these guys working 200 feet or more above the ground, strapped to a narrow tower no more than three feet wide at the top, and attempting to guide an antenna dish that is several times their size," said Ashley. "In many ways, the concept is similar to adjusting the old antenna on grandma's house to get the best picture before the days of cable, but the enormity is on a vastly different scale."

After the tower is brought online, SME's communications section in the engineering department assumes responsibility for the care and maintenance. "Our communications technicians do a superb job in maintaining the towers in our system," said Ashley. "Tower lights go out and lighting strikes the structures, but we rarely have any true problems with the towers themselves other than standard wear. It is more likely that technology will demand a change in the towers before these towers wear out."



The equipment shelter at the Monaco Lake substation in Pascagoula was elevated ten feet to protect against tidal surge



Tower foundations use steel to strengthen the concrete poured into the piers

Protecting Endangered Species Requires Attention to Detail

Red-Cockaded Woodpecker (*Picoides borealis*)

- Kingdom: Animalia
- Status: Endangered

Louisiana Quillwort (*Isoetes louisianensis*)

- Kingdom: Plantae
- Status: Endangered

Gopher Tortoise (*Gopherus polyphemus*)

- Kingdom: Animalia
- Status: Threatened and Under Review

Hundreds of thousands of plant and animal species share the planet with us. Over time, many have evolved to form other species and many more have become extinct. As man's knowledge of various species has grown, members of enlightened cultures of the world have made significant efforts to protect those plants and animals that are in danger of slipping away. Today in the United States, more than 400 animals and 600 plants are considered to be endangered.

Two members of the animal kingdom and one plant on the endangered list have habitats in South Mississippi Electric's service area. Each requires special care and handling, especially along the Association's 1,700 miles of transmission rights-of-way. SME employees work closely with the U.S. Fish and Wildlife Service and the U.S. Forest Service (U.S.F.S.) to ensure compliance with all regulations regarding each species.

The protected species have a particularly high profile when their habitats are located on government-owned land, although they also can be found on private property. Wesley Graham, right-of-way supervisor, has worked for several years with the Forest Service to monitor and protect endangered species on over 600 acres of SME right-of-way that run through three separate U.S. Forest Districts – two in the DeSoto National Forest that stretches from Wayne County to the coast, and also one in the Bienville National Forest located in and around Scott County.

"We have developed good working relationships with personnel in each of the districts," said Graham, who has mapped every foot of right-of-way in the national forests over the past four years and maintains GPS coordinates of any areas where endangered species are active. "The rangers understand that we take our responsibility very seriously. We share information and have earned their respect, I believe, because of the thoroughness of our approach."

Although found throughout Mississippi, the red-cockaded woodpecker impacts SME rights-of-way mostly in the Bienville Forest. The birds confine themselves primarily to the tops of the forest's tall pines, so any exposure for employees or contract workers is in cutting danger trees along the edge of a right-of-way. "If we have to cut trees in that area, we normally remove the top to a safe height and leave the snags standing in case the woodpeckers have built any nests."

Louisiana quillwort is found only in the wetlands of nine coastal Mississippi counties and two Louisiana parishes. A member of the Isoetaceae family, the plant is a relative to ferns and must have very specific conditions to thrive. Graham spent five weeks in May of 2010 hiking through the wetlands and creeks in the known habitat area and confirmed that there were none located along SME lines.

"The species looks like a grassy weed, so identifying it is difficult because of the environment you are working in," said Graham. "We had to search 150 feet upstream and 300 feet downstream to ensure the species was not present. We will go back every two years to confirm there are none along our lines."



Louisiana quillwort, a small reedy plant, is found in only a few wetlands habitats

Gopher tortoise burrows can be very difficult to detect along power line rights-of-way

The gopher tortoise, on the other hand, can be found in numerous locations along SME rights-of way. Graham has identified twelve highly visible colonies and sporadic activity at 40 to 50 other locations. Crews must stay 25 feet away from gopher tortoise burrows once they are identified.

Graham has received permission to expand SME's vegetation management practices to lines located on Forest Service land. Prior to any spraying or other clearing, he and right-of-way inspectors William Murphy and Tommy Garrard scout ahead of the crews to look for new burrows and confirm the ones already identified. If any burrows are found, the area is well marked so that the crews can proceed with caution. These areas are avoided during May and June if they require mowing, so as not to interfere with the tortoises' nesting season.

SME's line crews are also well-versed in their responsibilities when they know that they will be working around gopher tortoise habitats. Graham has taken a proactive approach by providing information, including conducting tailgate sessions with crews and contractors. Before SME activity is conducted in the sensitive areas, Transmission Planner Tracy Stiglets notifies Graham so that the work is coordinated in compliance with the special-use permit granted to SME by the U.S.F.S.

"There were once more than twenty species of tortoises in North America, and now only four remain," Graham noted. "We should have respect for these creatures and do the right thing whenever we are working around their habitat. The penalties for not abiding by the federal regulations are severe."

The spraying process has helped to reduce the heavy vegetation along many of the lines, which has actually turned the rights-of way into a



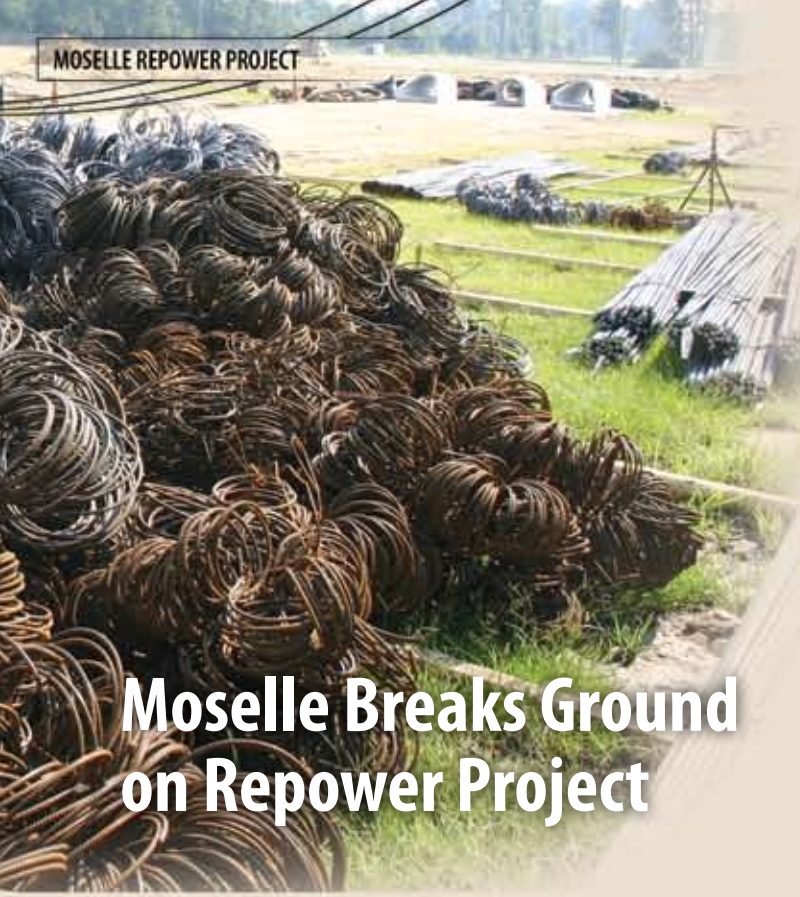
habitat more desirable for the gopher tortoise. "Gopher tortoises are herbivores and they like sandy soil, long leaf pines and upland savannah environments," he said. "Their burrows, which can be thirty or more feet long, offer protection from predators and also provide shelter for other small animals and snakes. As our corridors become more grassy, the tortoises will move their burrows closer to the edge of the right-of-way."

There are also numerous gopher tortoise dens located on Plant Morrow's property, which Graham checks on regularly. The colonies are far from plant activity and seem to be thriving; he has seen numerous baby tortoises the size of fifty-cent pieces. Adults can grow to an average of a foot long and weigh more than thirty pounds.

"It is a full-time job keeping up with all the regulations associated with endangered species, but we have chosen to go above and beyond whatever is necessary," Graham noted. "Gopher tortoises have been around for more than sixty million years, and they are an important part of the local ecological systems."



Gopher tortoises lay their eggs close to the entrance of their dens, which can extend for more than thirty feet underground (photos provided by Wesley Graham)



Moselle Breaks Ground on Repower Project

Contractor crews officially broke ground in late August on construction at the Moselle Generating Station. The Moselle Repower Project will add new GE Frame 7EA combustion turbines and heat recovery steam generators (HRSGs) to two of the plant's three original steam turbine-generators, creating combined cycle units that will make the plant 30 percent more efficient and result in 150MW of new capacity. The \$267 million project is scheduled for completion in late 2012.

The James Construction Group was contracted to perform all site preparation work, install equipment foundations, and conduct all underground work for the project. The initial steps included establishing construction grade of the property; building a heavy-haul road, contractor parking, and laydown areas; and installing underground piping, electrical duct bank and embedded conduit.

Other site preparation activities included the installation of an extensive network of drainage pipes and ditches, as well as a perimeter fence around the construction area and a guard shack at the contractor entrance located on the east edge of the plant's property.

Twelve 70-foot-tall modules for the heat recovery steam generators (HRSGs) were delivered in October



An important first step early in the project was the construction of a temporary laydown yard in order to store various equipment and materials that were scheduled for delivery, including the 7EA combustion turbines and generators. The temporary laydown yard quickly reached capacity, warranting the need for completion of permanent laydown areas.

"While all of the site preparation work is significant to the project, the permanent laydown areas are critical paths because they are part of coordinating the deliveries of all equipment and materials and properly staging them for access by the construction contractors," said Chris Rhodes, Moselle plant manager. "Numerous components were delivered and staged in the temporary laydown yard. As additional equipment and materials continue to arrive, it is imperative that everything is staged properly, inventoried and protected in the laydown areas."

Permanent construction commenced on September 22 with the installation of production piles.

"During the site preparation stage of the project, crews drilled a series of test piles to ensure the integrity and stability of the ground, as well as the design and method of installation of the piles at the proposed sites of the heavy equipment," said Rhodes. "When the test results revealed that the test piles were acceptable, the five-week process of installing production piles could begin. The production piles will serve as support for the equipment foundations and will connect to the foundations via rebar ties."

Crews have begun installing the underground electrical ductbank and piping and performed the excavation for the generator step-up transformers foundations.

Teton Industrial Construction, which was awarded the contract to install the combustion turbines, generators and associated equipment, will mobilize in mid-November. The remaining two major construction contracts – installing the HRSGs and the balance of plant equipment; and for all electrical construction – are currently out for bid. Other contracts for final painting, paving, landscaping, and cleanup will be issued for bid at a later date.

In an equally important development for the project, the Rural Utilities Service (RUS) approved the Association's request for a loan guarantee to



As the entire site begins to take shape, crews formed foundations for the step-up transformers (above, foreground) and for the Unit 2 combustion turbine-generator (photo below)

ensure permanent financing. The RUS action occurred just prior to the end of the budget year for federal agencies, which was vital to the project.

"It was very important that our application be approved by RUS this fiscal year," noted Nathan Brown, chief operating officer. "There are currently no funds allocated for generation projects in RUS' upcoming fiscal year budget, so had we not received approval this year, long-term financing for the project would have been uncertain."

"As it turned out, our loan was the next-to-last application to be approved this fiscal year. This was accomplished due to the efforts of the SMEPA team that assisted with the preparation of the loan documents, those who spent their New Year's Eve at headquarters while finalizing the loan application in order to meet a deadline, and all of the folks who responded to numerous questions from RUS during the months prior to the approval."

"The successful completion of the long-term financing is excellent news for SMEPA and its Members," said Chief Financial Officer Ray Haley, "It is one of the largest loans South Mississippi Electric has ever received from RUS. We were using bank financing on an interim basis to fund the project's initial stages of planning and procurement. The RUS loan will be the sole permanent financing for the project and will save the Association more than \$40 million in financing costs over the life of the loan."

"The project is off to a great start," said Rhodes. "Every step has been on schedule and within budget, and our goal is for things to continue that way until the project is complete."



Steam drums for the HRSGs are stored in one of the laydown areas, awaiting installation



Employee Contributions Help to Create Political Strength

In recent years, the business of seeking public office has become much more expensive. Regulations regarding how contributions can be made to political candidates have been revised to the point that numerous businesses and interest groups have become increasingly involved in election outcomes. For any group that wants to support candidates who share their views and goals, maintaining strong political action committees (PACs) is now a key part of the process.

Electric cooperatives have always had to work hard to help elected officials recognize the benefits of the unique business model that helps provide electric service vital to rural consumers. Co-ops serve only about ten percent of the country's electric customers, which means that many members of Congress or state legislative bodies can be unaware of how new laws or regulations might adversely affect the rural electric program.

"We need to keep rural America strong," said Richard Morgan, vice-president of government relations for the Electric Power Associations of Mississippi (Statewide). "In order to do that, we must work to help elect individuals who know about our rural electric program and support it. Many people do not understand the differences between cooperatives and other kinds of power providers, so we also work to educate and inform legislative members about what is important to the member-consumers we serve."



Mississippi's Capitol Building (photo courtesy of Statewide)

Two PACs serve as the main vehicles for supporting candidates friendly to the rural electric program: the Action Committee for Rural Electrification (ACRE), which supports candidates for national offices, and the EPAs of Mississippi Political Action Committee, which supports candidates for state offices. Both organizations are funded by contributions from hourly and salaried electric power association employees, co-op Board members, and other individuals involved with the program. Current regulations require that contributions from hourly employees be used only for the Statewide PAC.

During the 2010 fund-raising campaign, South Mississippi Electric employees once again increased their contributions to the PACs for which they were eligible. Two hundred fifty-three SME employees contributed to the state PAC, combining for the highest total of all EPAs in the state. Forty-four employees contributed to the national PAC, which was an increase of 300 percent from last year. SME's combined total of just under \$20,000 was also the highest in the state.

"SMEPA's employees are to be congratulated for their efforts," said Morgan. "We have numerous elections this year that are very important, and we want to try to help elect those candidates who understand and support our interests."

Campaign contributions from each of the PACs are made to members of both major parties, based on how the candidates stand on issues and legislation important to electric power associations, such as environmental regulations, healthcare reform, retirement programs, net metering, workers' compensation, safety regulations, and taxes.

"There are a number of issues that affect our business," Morgan notes. "There are also many budget pressures these days that could conceivably result in proposals that might have unintended consequences. If we do not look after our business, the possibility certainly exists that someone else will."

Once elections are over, Morgan and members of his staff work throughout the state legislative session, examining all bills to ensure that they are aware of any proposals that might negatively affect electric co-ops. They also spend time year-round building relationships with legislators and helping to provide information to any who might have questions about how electric power associations might be impacted by proposed legislation. In addition, Morgan and his staff maintain close

contact with Mississippi's Congressional delegation and assist NRECA with any lobbying needs at the national level.

"It is expensive to run for public office, especially for those of us who have other jobs in the private sector," said Haskins Montgomery, a Southern Pine EPA Board member who also represents District 34 in the Mississippi State Senate. "The support we receive from sources like ACRE is very valuable. Just as important, though, is the information about the industry that is available to us through electric power association employees. Because we have those relationships, legislators know where they can get a credible perspective on issues."

"Ours is a grass roots program — that is our greatest strength," Morgan said. "We have been effective for more than 70 years and, with everyone's continued support, we will be for many years to come."

New Employees



Nelson Allen joined SME as a laborer at Plant Morrow on August 5. A Purvis native who graduated from Purvis High School, Nelson previously worked at Purvis Forest Products. He enjoys fishing in his spare time and spending time with his family, wife Pamela, daughter Kim, and son Nelson, Jr.



Bobby Bolin began working as an electrician at Plant Morrow on August 16 after working in maintenance for Cooper Power Systems for 12 years. Bobby holds an associate's degree in applied sciences from Jones County Junior College and he enjoys working with computers. Bobby and his wife, Melissa, have a two-year-old son, Cole.



Substation Technician **Brett Cox** began working at the Field Operations Center on August 30. The Purvis native previously worked for TransOcean Offshore and Purvis Forest Products. He is a graduate of Purvis High School and received an associate's degree in instrumentation from Pearl River Community College. Brett enjoys hunting, fishing, and roping.



Corey Bond joined SME as a laborer at Plant Morrow on September 13. He previously served as a Class A lineman with MDR Powerline Construction. Corey, an Oloh native, enjoys water skiing, helping friends, and spending time with his wife, Cayla, and their two-year-old son, Corey Paul.



Laborer **Tony Bridges** was hired at Plant Morrow on September 21. Prior to joining SME, Tony worked offshore for 15 years, most recently for Nabors Drilling. He also served for four years in the United States Army and attended machinist school at Pearl River Community College. Tony, a native of Bassfield, currently lives in Prentiss with his wife, Carolyn, and their four children, Tynia, Tony, Jr., leisha, and Zana. He enjoys fishing, hunting, and football.



Brandi Bracey joined SME on October 18 as internal auditor at Headquarters. A native of the Darbun and Kokomo communities near Columbia, Brandi attended Louisiana State University and graduated from the University of Southern Mississippi with a bachelor's degree in accounting. She worked for Nicholson & Company prior to joining SME.

At the Heart of the Matter 2010 Forrest/Lamar County Start! Heart Walk

Cardiovascular disease claims more lives in the United States each year than the next four leading causes of death combined (cardiovascular disease caused 869,724 deaths; cancer, chronic lower respiratory disease, accidents, and diabetes combined led to 861,025 deaths).

For Missy Kelly, accounts payable clerk, that statistic hits very close to home. "Growing up I watched my grandfather suffer from congestive heart failure and a series of heart attacks," said Kelly. "As an adult, I have seen all of the males in my husband's family die of heart attacks."

The sobering statistics are just a few of the reasons that Kelly and other South Mississippi Electric employees joined this year's team for the 2010 Forrest/Lamar County Start! Heart Walk, which is the primary fundraiser for the American Heart Association (AHA). Money raised by walk participants around the country helps to make the work of the AHA possible, funding research that has led to advancements in valve replacement procedures, CPR, and defibrillation, as well as the development of a closure device that saved the life of Kelly's father.

"My father suffered from health problems for several years before physicians at the Mayo Clinic discovered a hole in his heart," said Kelly. "Research funded through the American Heart Association led to the creation of the device that closed the hole and saved his life."

SME's team ranked second among all local Heart Walk teams this year, raising \$4,477 through a variety of fundraisers.

Richard Ashley, director of design engineering, is a heart disease survivor and has participated in the event every year since he underwent heart bypass surgery in 2004. "Our team once again did an excellent job raising money for the Heart Association," said Ashley. "We were thrilled when we exceeded our goal. The team had great participation and support from the employees, from early planning through the day of the walk."

"I believe every dollar we raise will save a person's life, whether it is the life of someone we love, someone we will never meet, or even our own life," said Kelly. "That is what makes our efforts so worthwhile."



The Flu Ends with U

by Roy Foster, Job Safety & Training Manager

According to the Centers for Disease Control and Prevention (CDC), the flu is a highly contagious respiratory illness that is most prevalent from October through May, with peak activity occurring around January.

Because it was the first flu pandemic in more than 40 years, the H1N1 virus garnered a great deal of attention during the 2008-2009 flu season. Although a certain number of deaths are associated with every flu season, last season was different. Nearly 90 percent of the deaths were among people 65 and younger. In a normal flu season, 90 percent of flu-related deaths occur among those 65 and older.

Experts believe the flu primarily spreads when infected people cough, sneeze or speak — acts that release droplets into the air, which then come into contact with others. The resulting illness can vary in severity and can even cause death. Certain populations, such as older adults, young children, pregnant women, and those with other existing health conditions, have a higher risk for complications.

According to the CDC, individuals can play a key role in protecting themselves from the flu, as well as protecting others from possible high risks of complications. The health organization recommends a three-step approach to preventing the spread of the virus.

The first step is to be vaccinated against the flu every year. Everyone six months of age and older should receive a vaccination as soon as the season's vaccine is available (typically in September). While there are many different flu viruses, the flu vaccine is developed to protect against the three viruses that research suggests will be most common. The 2010-2011 flu vaccine will protect against influenza A H3N2 virus, influenza B virus, and the H1N1 virus.

Vaccination of high-risk persons is especially important in order to help decrease their risk of severe flu illness. Vaccination is also recommended for health care workers and others who live with or care for high-risk individuals. (Children younger than six months are at high risk of serious flu illness, but are too young to be vaccinated. Instead people who care for them should be vaccinated.)

Flu symptoms include:

- fever & chills
- cough
- sore throat
- runny or stuffy nose
- bodyaches
- headache
- fatigue

- Some people may also have vomiting and diarrhea.
- People may be infected with the flu and have respiratory symptoms without fever.

In years when an adequate vaccine supply is available, South Mississippi Electric provides free flu shots to employees at Association facilities. Employees may also visit the Work Well Clinic at Wesley Medical Center for a vaccination. Anyone who missed the flu shots at work last month may still go to Work Well.

The second step to preventing the spread of the flu is to prevent the spread of germs through several simple steps:

- Cover your nose and mouth with a tissue when you cough or sneeze; throw the tissue in the trash after you use it. If a tissue is not available, use your shirt sleeve instead of hands to cover your nose and mouth when coughing or sneezing.
- Wash your hands often with soap and water. If soap and water are not available, use an alcohol-based hand rub.
- Avoid touching your eyes, nose and mouth.
- Try to avoid close contact with sick people.
- If you are sick with a flu-like illness, stay at home until at least 24 hours after your fever is gone, except to get medical care or for other necessities. (Your fever should be gone without the use of a fever-reducing medicine.)
- While sick, limit contact with others as much as possible.

A key element in preventing the spread of the flu is to avoid settings where you are likely to be in contact with others, such as school or work. Presenteeism, or showing up for work while ill, is as big of an issue in the workplace as absenteeism. Employees are far less productive and less precise on days when they are sick. They also risk spreading the illness to coworkers, thereby further decreasing office productivity. SME and other employers offer sick leave benefits to provide salary continuation to employees who are unable to be present at work due to personal illness or injury.

The third and final step recommended by the CDC is to seek medical attention soon after flu symptoms appear. It is important that antiviral drugs be used within the first two days to help decrease the severity of the illness and to shorten the length of the symptoms. This is especially critical for high-risk individuals or those who might have regular contact with high-risk individuals.

For more information on flu prevention, visit www.cdc.gov or call 1-800-CDC-INFO.

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