

Powerlines

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2012 budget a product of multiple departments

The 2012 budget, approved at the Nov. 18 board meeting, boasts only a 1.5 percent increase over PowerSouth's proforma 2011 budget.

While capacity costs remain relatively flat, energy costs increased slightly with the driving force being coal prices.

Average member costs, excluding interruptible loads, for 2012 are 78.11 mills, up only 1.15 mills from 2011.

"We can be good at forecasting the costs associated with operating and maintaining our system, but we always have to remember the fact that our distribution members carry those costs," said Ferrell Walton, PowerSouth Vice President and Chief Financial Officer.

According to Walton, personnel look at each expenditure, forecast and budgeted item to ensure PowerSouth is taking advantage of cost savings. Those savings help make our mission of providing reliable, competitively priced wholesale power to our members a reality.

In the 2012 budget, fuel and purchase power costs make up 56 percent, and fixed costs make up 19 percent of PowerSouth's total cost of electrical service.

"Because fuel and purchase power prices in the 2012 budget are up slightly from 2011, our energy fuel rate went from 39.85 mills to 41.12 mills," said Walton. "We have a 3 percent increase in the energy fuel rate to the members for the budget."

The fuel and purchased power costs are reviewed monthly by the Corporate Planning and Power Supply Committee with any recommendations by the committee presented to the Board of Trustees for approval.

"We continually search for new ways to cut costs to help our members be as competitive as possible," said Paige Culbreth, PowerSouth Financial Planning Manager. "The budgeting process is an example of how multiple PowerSouth departments work in concert to develop a result that is most beneficial to the company as a whole." ■



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Planned maintenance yields reliability

PowerSouth knows the value of good equipment. As a whole, we generated 6,830,303 megawatt hours in 2011, with 20 units (plus two more at Miller Plant) in operation at our six plant locations.

Equipment failure during normal operating hours could be disastrous, leading to months of inoperability and expensive power purchases to make up for lost generation. To avoid such failures, PowerSouth plant personnel conduct planned maintenance outages during times of lower demand.



The rotor from Lowman's Unit 1 was removed as part of the Unit's major planned outage.

Vann Plant

During an outage in early Fall, Vann Plant employees replaced their existing control systems — manufactured by Siemens, Mitsubishi and Honeywell — with one system developed specifically for the Vann Plant by Siemens.

"Control systems become obsolete over time, much like personal computers do," said David Wyatt, PowerSouth Central Generation Plant Manager. "Ten years is the normal life span of a plant operating system, so we took advantage of the timing to install a universal set of controls that will allow us to share information between units easier and more efficiently."

According to Roger Hammonds, PowerSouth Plant Control Systems Specialist, the Vann Plant uses about 3,500 input/output (IO) points to control every aspect of the generation process.

"Before the upgrade, we had to visit three or four different places to handle issues during operation," said Hammonds. "The new operating system makes IO points easier to

access and change. With a more consolidated process, we can make changes on the fly rather than having to shut plant operations down."

Also during Fall outages the control valves on Vann's Unit 3 steam turbine were disassembled and inspected. Ten valves control the flow of high, intermediate and low pressure steam as it enters the turbine, regulating the flow of steam to control the unit.

"Steam tends to cause a build up called 'blue blush' that makes the valves stick, making them difficult to close or open," said Wes Thomasson, PowerSouth Principal Engineer. "We cleaned the blue blush off of the valve components with a grit blaster and conducted a non-destructive evaluation (NDE) to ensure future reliability."

Lastly, epoxy was injected in the stator of the Vann Plant's Unit 1 generator. The insulation protecting the copper bars within the

stator — the stationary part of the generator — will break down over time and spark. Therefore, the epoxy serves as a stabilizer for the bars as a preventative measure to avoid spark erosion.

Lowman Plant

The smallest Unit at the Lowman Plant — the 86-megawatt Unit 1 — underwent a major planned outage this Fall. The Unit was removed from service and completely disassembled, a process that occurs once every six years.

Scale build-up in the turbine was removed, and internal clearances were re-established in an effort to restore efficiency.

Steam valve bonnets from Vann Plant Unit 3 have been blasted and are ready for reinstallation.



Contractors disassembled the turbine to repair any damage caused to the blades by solid particle erosion and decrease blade clearances. In addition, the Unit 1 stator was rewound during the outage.

According to Scott Chastain, PowerSouth Superintendent of Technical Services, all of the Lowman Units are manufactured by GE, so GE contractors completed the rewind work. In addition, contractors and PowerSouth employees inspected and replaced as necessary boiler tubes in the economizer section of the Unit 1 boiler and upgraded the soot blower controls.

Other Lowman Fall outage work included the repair of steam leaks on the turbine and the reinstallation of the gas recirculating fan, and ongoing maintenance on the jet bubbling reactor (scrubber) of Unit 2. The soot blower controls were upgraded and a new induced draft fan transformer was installed on Unit 3. In addition, the A cooling tower on Units 2 and 3 was reworked.

"Whether the fix requires a major tear down of a unit or a couple of weeks for normal maintenance work, we try to be proactive and address potential problems with our generation units before they ever occur," said David Powell, PowerSouth Director of Power Production. "We say we want to provide affordable, reliable power to our members, and this is one way we do it. It's a team effort that pays off for everyone in the end through better equipment, more efficient work time and lower rates." ■

CSAPR on hold for now

The U.S. Court of Appeals for the D.C. Circuit ruled Dec. 30 to delay the Environmental Protection Agency's Cross-State Air Pollution Rule (CSAPR) until its legal merits could be determined.

The EPA rule was scheduled to take effect this month.

CSAPR is aimed at cutting emissions of sulfur dioxide and nitrogen oxides. It affects power companies in 27 states.

The ruling has particular importance for Texas. The state's Attorney General Greg Abbott said Texas sought a stay in September, to prevent the regulations from "jeopardizing the reliability of Texas' electrical grid, threatening hard-working Texans' jobs, and burdening Texas families with higher electricity prices."

Abbott claimed that the EPA failed to comply with laws that require federal agencies to inform the public of rule proposals in advance so that affected parties can participate in the rulemaking process.

The ruling stays the CSAPR's implementation pending a full review by the court of Texas' petition for review. The ruling also orders the parties to submit proposed briefing schedules by Jan. 17 so the case may be heard by April.

"One of the biggest challenges of CSAPR and similar EPA rules is the time frame given to implement the regulations and make required changes," PACE Executive Director Lance Brown explained. "Many of the agency's proposals would be feasible for the energy industry if they were given more time to adopt the rules."

What does CSAPR mean for PowerSouth?

"Since we have already installed the appropriate pollution control equipment at our Lowman Plant, PowerSouth is in a position to comply with the CSAPR rule as written," says Keith Stephens, Environmental Services Manager. "We'll watch this rule and others, and continue to try to balance compliance with our mission to provide reliable, affordable energy to our members." ■

coolFACT:



PowerSouth's system experienced a **25-megawatt increase** in load at halftime during the Iron Bowl.

PowerSouth ranks 77th nationally

In its annual ranking of the top 100 cooperatives in America, the National Consumer Cooperative Bank (NCB) ranked PowerSouth 77. PowerSouth has been ranked on NCB's list the last four years.

Each year, the NCB announces the top 100 cooperatives in America, highlighting the business activity and economic power of the member-owned, member-controlled businesses. As the only report of its kind, the NCB ranking is an important indicator of cooperative business activity.



"Like our Co-op 100 audiences, we are eager to see which co-ops make the list, how they rank compared to the previous year, and what kinds of revenues they're generating," said Charles Snyder, NCB President and CEO. "This year, as always, we are delighted to see that co-ops continue to grow and expand, providing vital services to their community and members."

In 2010, the top 100 Cooperatives generated nearly \$194 billion in revenue. PowerSouth ranks with some of the nation's largest cooperatives, including Land O'Lakes Inc., Ace Hardware Corp., Dairy Farmers of America, Associated Press and Ocean Spray.

"Year-after-year, our ranking on the NCB list is indicative of our effort to serve our distribution members effectively and with a mind for economic development," says Seth Hammett, PowerSouth Vice President of Business Development. "PowerSouth strives to be an excellent corporate citizen in every way possible." ■

Trustee Update Jan. 25-27

PowerSouth's annual Trustee Update is Jan. 25-27 at the Hilton Sandestin Beach Golf Resort and Spa. During the meeting, trustees and key operating personnel of PowerSouth's distribution members will learn about issues impacting PowerSouth and our industry.

The theme of the 2012 Trustee Update is the "Power Behind the Principles."

"Today, our industry faces as many challenges as ever before, and we as leaders strive to achieve our primary mission of providing affordable, reliable power to our member owners," says Earl Johnson, Mayor of the City of Andalusia, Ala., and chairman of PowerSouth's Member Relations and Strategic Planning Committee. "As cooperatives, we understand the value of the power behind our principles better than anyone else."

Topics at the Trustee Update include overviews of our financial documents and power supply perspectives; industry overviews; economic perspectives; and reports from national and statewide organizations.

This year's spouses activities include "Keeping it Pure and Simple" with Patricia Barnes, founder of Sister Schubert's Homemade Rolls, as well as pottery painting hosted by Paint N' Place Pottery Studio.

For more information about the Trustee Update, contact Mark Ingram at mark.ingram@powersouth.com or (334) 427-3330, or Wanda Woods at wanda.woods@powersouth.com or (334) 427-3369. ■

Powersouthsites.com receives "Standard of Excellence" Award

PowerSouth's Economic Development website, www.powersouthsites.com, has received a "Standard of Excellence" award from the Web Marketing Association's WebAwards.

This international competition had over 2,000 websites entered in 96 industry categories from 45 different countries in the 2011 competition. The PowerSouth website won its award in the Regional category. The site, designed by Red Sage Communications, Inc., a Decatur, Ala.-based web development firm, scored above average in all seven assessment areas.

"Our website is an invaluable tool in recruiting new and expanding industries," said Lee Lawson, PowerSouth Economic Development Representative in Alabama. "The website has been exceptionally beneficial to the communities we serve, and we are honored to be recognized by marketing professionals

for its functionality and design."

The website features a robust GIS property directory, enhancing PowerSouth's ability to promote economic development in its 49-county service area in Alabama and Northwest Florida.

"Since its launch last March, powersouthsites.com has received positive feedback from economic developers and community leaders for its ease of use and quantity of information," said Ed Gardner, PowerSouth Economic Development Representative in Florida. "The amount of information on the website — available to anyone, anywhere — is pivotal to our recruitment efforts." ■



Donation made to Covington United Fund



United Fund contributions support more than 21 organizations, touching citizens of all ages, races and socio-economic status. Whether it's a Boy or Girl Scout, recovering drug addict, local church congregation, 4-H leaders-in-training or avid reader, local dollars reach them all. PowerSouth President and CEO Gary Smith (left) presented PowerSouth's \$11,060 donation to Wem Mellown, 2012 Covington County United Fund Chairman, in December. Charitable giving and community service go hand-in-hand with one of PowerSouth's core values — community development.

Phase two HQ construction under way

PowerSouth's five-phase construction project at the headquarters campus in Andalusia moves full-speed ahead. The second phase of construction, approved by the board June 24, began Dec. 5.

Phase two includes demolition of building four (originally constructed in 1957). Demolition was completed November 2011. In its place, a new two-story, 19,000-square-foot complex will be built. The new complex will include a walk-thru to building one with an adjoining hallway to the main lobby.

The new complex will house the Information Systems Department, Safety Department and Training Department, including a new PC Training Center. Phase two also includes a major renovation and expansion of the lobby entrance, which includes restroom facilities and meeting rooms for access without security check-in required.

"This project is the largest headquarters building project since the mid-1980's expansion that included the three-story main building," said Joe Armstrong,



This computer drawing shows the design approved for the new headquarters main entrance. It also shows how the new, second floor addition to building four will be incorporated into the design, allowing a walkway into building one.

PowerSouth Principal Engineer. "We ask all employees and visitors to please be mindful and safe, and try to completely avoid the construction area."

The first phase of work — a new building on the north side of the campus attached to the warehouse complex — was completed in September 2011. Phase two will be complete in December 2012.

"Our focus is to provide all work teams with work space within adjacent areas and not separated by floors or in different parts of the campus," Avery said. "PowerSouth employees will be inconvenienced at times during the construction phase but will be very pleased with their new work space when it is completed." ■

H2O Plus program hits 7,000 mark, continues to grow

With increasing focus on energy conservation and reducing residential usage, consumers within PowerSouth's service territory have responded to the challenge through participation in H2O Plus, a demand-side management program that targets water heaters.

H2O Plus has grown exponentially since its inception in June 2008. As of the end of December, 7,478 load control devices have been installed on the PowerSouth system. H2O Plus is administered by PowerSouth on behalf of participating distribution members.

The program aims to reduce the need to build or purchase capacity, while allowing PowerSouth to respond to volatile wholesale energy markets and improve load factor. H2O Plus also helps promote efficient utilization of generation, transmission and distribution systems to provide affordable energy to

member consumers by increasing off-peak kilowatt-hour sales.

A small switching device installed on participants' water heaters allows PowerSouth to remotely cycle the units.

According to Cory Ellis, PowerSouth Member Services Representative, there have been 43 load control events since the program's inception, 2 of which occurred in 2011.

"Controls are needed for reliability purposes when the system nears megawatt capacity limits or for system emergencies such as plant outages, transmission line outages or heavy loads on transmission lines," said Ellis. "For economic purposes, controls are initiated to avoid high-cost energy purchases or expected annual system peaks."

Nine distribution cooperatives are now

participating in the program, including: Central Alabama EC, Covington EC, Escambia River EC, Gulf Coast EC, Pea River EC, South Alabama EC, Southern Pine EC, Wiregrass EC and West Florida EC.

Central Alabama EC is leading the program with 3,473 installations.

The current participation level in the H2O Plus program translates into 3.7 megawatts of capacity during the summer and 8.9 megawatts of capacity during the winter. ■

EPA issues mercury and air toxics standard

The Environmental Protection Agency (EPA) issued its final rule addressing emissions of hazardous air pollutants from coal and oil-fired utilities — the Utility Mercury and Air Toxics Standard (Utility MATS, also known as the Utility Maximum Achievable Control Technology or UMACT rule) Dec. 21, including a three-year deadline to comply.

“It is likely that some electric co-ops will have difficulty in achieving compliance with the rule in the time frame allowed,” said Keith Stephens, PowerSouth Environmental Services Manager. “Often, small systems must compete with larger utilities for the limited number of engineering experts and equipment vendors, and smaller systems stand at the back of the line.”

There will be provisions for extensions, but not all extensions are certain, and not all will be available to every utility.

Utility MATS is likely to be the most stringent and expensive environmental regulation to directly impact electric utilities, costing tens of billions of dollars over the next few years. The rule, considered the most expensive in EPA’s history, is aimed at emissions of mercury and hazardous air pollutants and requires utilities to use the maximum available control technology to meet new standards.

Nearly 1,400 power generation units at about 525 U.S. plants will be subject to the rule, and could require expensive new controls to continue operating and avoid fines or penalties.

PowerSouth’s coal-fired Lowman Power Plant already has scrubbers installed to reduce sulfur dioxide and selective catalytic reduction equipment to reduce nitrogen oxides, and we are compliant with current greenhouse gas reporting requirements. We are still analyzing the impact of the Utility MATS rule on our units and assessing whether there is a need for additional controls.



During the last few weeks, environmental activist organizations have pressured the Obama Administration to make this rule as strict and inflexible as possible. In response, about 30 generation and transmission cooperatives (G&Ts) signed a letter with NRECA, Edison Electric Institute, the Chamber of Commerce and others urging President Obama to use his authority to extend the compliance period beyond three years for all power plants to install the equipment needed under Utility MACT.

A recent Associated Press survey found that more than 32 mostly coal-fired power plants in a dozen states will be forced to shut down and an additional 36 might have to close because of new federal air pollution regulations.

“In moving forward with this burdensome rule, the Administration is choosing to turn a blind eye to its own Executive Order issued in January 2011 stating that the regulatory system must promote economic growth, job creation, and predictability while reducing uncertainty,” said Lance Brown, Executive Director of the Partnership for Affordable Clean Energy (PACE). “At the very least, the EPA should have recognized

recent emissions improvements before implementing a rule with unrealistic deadlines for compliance. The end result will restrain domestic energy, endanger jobs and saddle consumers with higher power bills.

PACE reports that the technology used to make the burning of coal for electricity cleaner has improved greatly and been widely implemented. Coal-fired generation facilities are producing 50 percent more electricity than we were 20 years ago with two-thirds less emissions. The use of coal to meet electricity demand has tripled since 1970 and yet emissions are still down.

“To say we’re concerned about the effects Utility MATS will have on energy costs and the effects the new rule relative to energy production will have on the average person — that would be an understatement,” said Gary Smith, PowerSouth President and CEO. “However, our mission is to provide the average family the reliable, affordable energy they expect. If electricity is no longer affordable for people in our society, what do we do about those who can’t afford it?” ■

the year of living cooperatively: Electric co-ops join global celebration

When you drink O.J., eat cheese, buy a tool or pay your electric bill, do you think of cooperatives? Maybe you should.

The International Year of Cooperatives 2012 (IYC 2012), celebrates the fact that “Cooperative Enterprises Build a Better World.” The year recognizes the role cooperatives play in the economic and social well-being of nations and encourages cooperative development on a global scale.

“At a time when folks are losing faith in big corporations, IYC 2012 offers an opportunity to showcase the ways local, consumer-owned and member-controlled cooperatives benefit communities,” said Glenn English, CEO of the National Rural Electric Cooperative Association (NRECA). “It gives cooperatives a perfect venue to contrast how we differ from profit-driven companies.”

Co-ops are everywhere

More than 29,200 cooperatives serve American consumers every day. Well-known products produced by co-ops include Sunkist orange juice, Land O’ Lakes butter, Ocean Spray cranberry juice, Sun-Maid raisins, Welch’s grape jelly, Nationwide Insurance and Blue Diamond almonds. Recognize these businesses: Ace Hardware, REI outdoor gear, Associated Press? They are all cooperatives.

One out of every four Americans are members of a cooperative, including 91 million served by credit unions and 42 million served by the more than 900 electric co-ops in 47 states.

Cooperatives differ from typical businesses in that they are organized for the benefit of their members, not single owners or stockholders. Today, cooperatives generate 100 million jobs globally.

Cooperative Boot Camp

For nearly three decades, electric cooperatives in the PowerSouth family have joined the Alabama Council of Cooperatives to hold a three-day statewide youth leadership conference, called Co-op Boot Camp, for more than 50 high school students.

The event, chaired by Chellie Phillips, Communications and Marketing Coordinator for South Alabama EC, and Laura Thornton, Community Relations Specialist at Pea River EC, gives students a lesson in the cooperative business model.

“We highlight all of the different kinds of cooperatives found in our state: banking, farming, dairy, and electric,” said Phillips. “Our biggest challenge is incorporating the co-op message while keeping students engaged and active. We strive to balance educational aspects with recreation and fun times.”

Students learn cooperative basics from university professors. Speakers from the Alabama Farmers Cooperative lead activities demonstrating how all co-ops are alike, despite outward appearances. Credit union representatives review banking cooperatives and capital credits. Students later practice what they’ve learned by creating their own co-ops.



Family values

The first known cooperative in the U.S. was formed by Benjamin Franklin in 1752. That organization, the Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, still operates today.

The cooperative movement traces its roots to a set of business guidelines drawn up by Charles Howarth, one of 28 weavers and other artisans who founded the Rochdale Society of Equitable Pioneers in Rochdale, England, on Dec. 21, 1844.

As a result, the “Rochdale Principles” were introduced in 1874 and evolving into the seven cooperative principles used today. The principles state that a cooperative must provide: 1) Open and Voluntary Membership, 2) Democratic Member Control, 3) Members’ Economic Participation, 4) Autonomy and Independence, 5) Education, Training and Information, 6) Cooperation Among Cooperatives and 7) Concern for Community.

Sources: RE Magazine; International Cooperative Alliance ■

Popular Cooperative Brands



Touchstone Energy®



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Cooperative.com offers many tools

Cooperative.com boasts a wealth of resources for electric co-op employees, from retail coupons and national discounts to facts and figures and research tools. Here are some highlights, but make sure to log on and explore for yourself!

National Discounts Program

More than 140 discounts are available from national vendors and retailers. While many are for co-op use, some are also offered to employees—each offer denotes who is able to use it. You can also print coupons for restaurants and retailers like McDonald's, TGI Friday's, and JCPenney.

Popular discounts include Ford Motors and Chrysler, which offer special pricing for both co-op fleet and individual vehicle purchases. Dell and John Deere also top the list. Other national discounts include ProFlowers, rental cars such as Avis and Enterprise, hotels such as Best Western and Days Inn, Craftsman lawn mowers, GE appliances and many others.

How to get there: Cooperative.com > About Us > NRECA > National Discounts Program, or www.cooperative.com/about/NRECA/nationaldiscounts/

Directories

Have you ever met someone at a conference or while assisting another co-op, but didn't get his/her contact information? "People Finder" and the "Co-op Directory" can help you track down who you're looking for. You can also search for co-ops in the "Co-op Directory."

How to get there: Cooperative.com > Member Center > Directories, or www.cooperative.com/membercenter/Directories/. ■

How do you feel about 2012?



Gary Smith
President and CEO
PowerSouth

As long as I remember, new years have been depicted as babies in diapers with smiles on their faces, and past years have been depicted as scowling old men. I am not usually optimistic, and the PowerSouth staff often refers to me as the pessimist in the group. As I look ahead, it is easier to think of 2012 as a scowling old man than a smiling baby.

I can't remember any time that people, including me, are as uncertain about the future as now. Tea Party members are concerned about taxes and government debt levels. Wall Street protestors demonstrate against the wealth that investment bankers have accumulated through the latest recession. Businesses question government-imposed regulations that have the prospect of limiting growth and investment. Environmentalists are concerned about the condition of the environment into the future. Politicians complain that the other political party is hindering their social reform. Consumers are concerned about their jobs and their ability to balance household finances.

We have been through recessions and depressions. Things have been bad before. I am as concerned now about the future and prospects for people -- especially the poor and those on fixed incomes -- as I have ever been in the past.

The economy refuses to pick up, regardless of the Federal Reserve's lowering interest rates to historic lows and other government efforts to spark economic growth. Federal government debt continues to grow, and the stock market remains rather stagnant through volatile periods. Unemployment levels will remain high, new or better jobs will be more difficult to find and compensation levels will remain static without economic growth. Although gasoline prices have declined, increased social costs from government regulation are driving up the price of household necessities such as food, electricity and clothing. The price increases of those items reduce the amount of disposable

income available for the average household. The reduction in available disposable household income reduces consumer spending and tends to depress the economy.

Government regulation, especially by the Environmental Protection Agency (EPA) continues to add increased cost to manufacturing and production by increasing the cost of material production inputs and electricity required for the production cycle. Even as the economy struggles, EPA continues to impose additional regulation that further stifles improvement in the economy. The government also proposes increased taxes, which may curb the growth of government debt but also further slows economic growth.

Capital required for businesses to expand operations and for people to finance personal assets is becoming harder to secure as banks brace for fallout from the deepening European financial crisis and increasing European governmental debt. If European countries are truly bankrupt -- and it appears that some are -- can we expect those problems to find our shores and cause additional havoc with our economy?

While regular people grope for solutions to their everyday problems like paying household bills, finding jobs, educating children and planning for retirement, politicians posture and preach about the opposing party's unreasonable positions, and how if re-elected they can improve our lives.

With all those problems, no clear social consensus and no easy solutions, it is difficult to view 2012 as a cute, smiling baby. However, I do. I think of the greatness in the country's past and how we have overcome so many obstacles. I believe we can again find a way to success and prosperity. It will require sacrifices, social and political consensus, people working together for the good of the whole and -- more importantly -- compromise. I am confident that with a presidential election in the fall we will come together as a single people and work toward a common goal of making a great country and great society even better.

I plan to have a great 2012, and I hope you do, too. ■

your retirement nest egg: Coping with Wall Street swings



If you're like many folks, the recent stock market volatility may be causing you to question your investment strategy. For example, you may be wondering if you should pull money out of stocks and move into "safer" vehicles like bonds and cash or even precious metals.

In stocking away funds for retirement, keep a long-term perspective in mind. As long as you have chosen an appropriate mix of investments based on your goals, years to retirement and risk tolerance, short-term market shifts shouldn't affect your overall market approach. If you are retired and have a diversified portfolio composed of stocks, bonds and cash, you can give your stocks some breathing space to await the next rally by making withdrawals from more conservative investment options that have not fluctuated as much.

Reassurance in recent gains

It's always smart to focus on the big picture. Even factoring in setbacks over the past few months, as of the end of September, the S&P 500 — one of the most commonly followed equity indices, which includes stocks of large, publicly held companies traded on the New York Stock Exchange and NASDAQ — was up more than 62 percent since the end of February 2009.

Assessing your strategy

In times of volatility, take markets out of the mix and ask yourself if anything has changed in terms of your retirement goals, time horizon, and feelings about risk. If these factors remain the same, keeping your current investments in place may be the best decision.

If things have changed, reassess your portfolio with the help of a financial adviser. If you are a participant in one of NRECA's retirement programs, you may want to contact a member of NRECA's Personal Investment and Retirement Consulting (PIRC) team. Just call PIRC at 866-673-2299 (select option 5, then 2) or pirc@nreca.coop.

Remember, choosing to sell during a market downturn should be made carefully and not based on gut reaction — if you rush to sell your stocks and they bounce back, you've essentially "locked your losses." In addition, lower stock prices offer opportunities to buy valuable investments at a discount.

Source: *Rural Electric Magazine* ■

newemployeeprofile: Jim Helms



Jim Helms wanted a good job closer to his family. He was hired as Construction Technician in the T&D Operation and Maintenance Department Nov. 21.

"I feel this opportunity I have been given at PowerSouth is a blessing to my family and me," he said, "and I am very grateful for it."

He grew up in Baker, Fla., and is a Baker High School graduate. He worked previously as Utilities Technician for the Okaloosa County Board of Commissioners Water and Sewer Division. He admits that his change to the energy side of things has been a learning process.

"I've learned what substations actually are there for and that there are different types of substations," he says. "I'm also getting a good understanding of just how complex the power system grid is."

Jim and his wife, Heather, have three children -- 14-year-old twin sons James and Justin and eight-year-old daughter Kalynn. He loves to fish, hunt, watch his boys play football and watch his daughter cheer. ■

System Summary

December 2011

System peak (unadjusted):
1,684 megawatts — Dec. 1

Minimum temperature: 34 degrees
Maximum temperature: 78 degrees
Average temperature: 58 degrees
Gantt rainfall: 5.49 inches for the month

Quick Facts

November 2011

Average Cost of Service — 84.60 M/KWh
Average Cost of Service YTD — 73.44 M/KWh

CP Demand Billed — 1,622,934
CP Demand Billed YTD — 19,121,452
MWh Sold — 562,263
MWh Sold YTD — 7,726,695

Service anniversaries

 Diane Howell T & D Eng. & Const. 35 years, Jan. 3	 Al Earnest Purchasing 33 years, Jan. 8	 Troy Spence Lowman Plant 33 years, Jan. 8	 Sam Sullivan Lowman Plant 33 years, Jan. 30	 Mike Blocker Telecommunications 32 years, Jan. 2	 Kenny Weaver Lowman Plant 31 years, Jan. 2	 Darrell Lathan McIntosh Plant 31 years, Jan. 5	 Wayne Phillips Lowman Plant 31 years, Jan. 13
 Fred Bryant Lowman Plant 31 years, Jan. 19	 John Perine Lowman Plant 31 years, Jan. 19	 Ray Smith Lowman Plant 31 years, Jan. 19	 Dan Carpenter Central Generation 31 years, Jan. 21	 Gene Etheredge Lowman Plant 29 years, Jan. 17	 Ken McLendon Lowman Plant 29 years, Jan. 17	 Tommy Deas Lowman Plant 29 years, Jan. 24	 Jill Jones Bulk Power 27 years, Jan. 28
 Johnny Mack Metering 26 years, Jan. 20	 Dewayne Foshee Corp. Real Estate 24 years, Jan. 25	 David McDuffie Central Generation 23 years, Jan. 9	 Tim Hattaway Energy Control 23 years, Jan. 9	 Travis Comstock Baldwin District 23 years, Jan. 30	 Casey Thompson T&D Eng & Const. 22 years, Jan. 3	 Sam Phillips Lowman Plant 22 years, Jan. 15	 Tim Sullivan Lowman Plant 22 years, Jan. 15
 Mickey Snell Lowman Plant 22 years, Jan. 29	 Wanda Woods Communications 22 years, Jan. 29	 Danny Taylor Lowman Plant 21 years, Jan. 7	 Gil Thomas Lowman Plant 21 years, Jan. 7	 L.C. Howell Lowman Plant 21 years, Jan. 7	 Reggie Chestang Lowman Plant 21 years, Jan. 7	 Judy Turner Accounting 21 years, Jan. 21	 John Goldman Lowman Plant 21 years, Jan. 28
 Brian Fleming Energy Mgmt. Sys. 20 years, Jan. 6	 Greg Hataway Div. Technical Support 13 years, Jan. 7	 Horace Horn External Affairs 12 years, Jan. 3	 Mike Hardage Central Generation 12 years, Jan. 10	 Joe Boyd Central Generation 12 years, Jan. 17	 Phil Bush Energy Control 12 years, Jan. 24	 Chad Chandler Energy Control 12 years, Jan. 31	 Craig Wilson Central Generation 11 years, Jan. 29
 Joe Jones Central Generation 11 years, Jan. 29	 Johnny King Central Generation 11 years, Jan. 29	 Larry Curry Central Generation 11 years, Jan. 29	 Mark Pippin Central Generation 11 years, Jan. 29	 Ricky Cochran Central Generation 11 years, Jan. 29	 Roney Tomlin Central Generation 11 years, Jan. 29	 Steve Ballard Central Generation 11 years, Jan. 29	 Steve Erdy Central Generation 11 years, Jan. 29
 Anthony Whitman Substation O&M 10 years, Jan. 2	 Brian Salter Substation Services 9 years, Jan. 1	 Jason Kelley Energy Control 7 years, Jan. 3	 Jody Jackson Energy Control 7 years, Jan. 3	 Justin Williams Lowman Plant 6 years, Jan. 16	 Bert Pettis Lowman Plant 6 years, Jan. 23	 Angela Crittenden Building Maint. 2 years, Jan. 19	 Rachel Ballard Safety 2 years, Jan. 25

Sympathy

Our deepest sympathy is extended to the family of **Jared Powell** (T&D Facilities). His father, Johnny Powell, died Dec. 25. The funeral service was Dec. 28 at Carolina Baptist Church.

Our deepest sympathy is extended to the family of **Billy Sexton** (Central Generation). His father-in-law, Ronald Hitson, died Dec. 5. The funeral was Dec. 7 at New Home Baptist Church.

Our deepest sympathy is extended to the family of **Tim Messick** (T&D O&M). His father, Rudolph Messick, died Jan. 5. The funeral service was Jan. 8 at Wyatt Funeral Home. ■

Comings and goings

Welcome to **John Brock Wallace**, Network Support and Security Analyst in the Information Systems Department, effective Nov. 28.

Goodbye and good luck to **Chase Foshee**, Work Study in the T&D Operation and Maintenance Department, effective Dec. 22; **Emily Senn**, Work Study in the

Financial Planning Department, effective Dec. 22; **Robbie Yant**, Co-op Engineer at Central Generation, effective Nov. 23; **Trent Carnley**, Work Study in the Procurement Services Department, effective Dec. 27.

Congratulations to **Marshall Lowery**, Utility Technician at the Lowman Plant, on his retirement effective Jan. 26. ■

2012 Holiday Schedule

PowerSouth recognizes the following dates as paid holidays for wage and salary employees in 2012:

- New Year's Day – Jan. 1
- Memorial Day – May 28
- Independence Day – July 4
- Labor Day – Sept. 3
- Thanksgiving Day – Nov. 22
- Christmas Eve – Dec. 24
- Christmas Day – Dec. 25

In addition, two floating holidays are assigned for wage and salary. A floating holiday is to be selected by the employee after completion of their probationary period, subject to the approval of his/her supervisor.

For additional qualifications and/or parameters that apply to holidays, refer to policy 533-B on PowerSouth's portal system. ■

The following dates are recognized as paid holidays for bargaining unit employees in 2012:

- New Year's Day – Jan 1
- Good Friday – April 6
- Memorial Day – May 28
- Independence Day – July 4
- Labor Day – Sept 3
- Thanksgiving Day – Nov 22
- Christmas Eve – Dec 24
- Christmas Day – Dec 25
- Employee's Birthday

In the event a holiday falls on a Saturday, the preceding Friday will be observed as the holiday. For holidays falling on Sunday, the following Monday will be observed.

Buyback for current leave, medical, dental this month

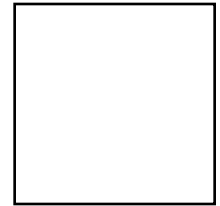
Current leave, medical and dental buyback checks will be distributed toward the end of January. PowerSouth's Medical and Dental Buyback Program allows employees to opt out of the medical and dental insurance programs in exchange for a cash benefit. Those who have been participating in the program for an

entire calendar year are eligible to receive a check.

For more information, contact Suzanne Craft at ext. 3224, or Heather Anderson at ext. 3346. ■

Happy birthday to:

January 2.....	James Pugh Carl Sherrouse Jerrold Syphrit
January 3.....	Heath Mills Anna Stephens
January 5.....	Land Sikes
January 7.....	Dan Carpenter Jonas Lathan
January 8.....	Neal Floyd
January 9.....	Eric Copeland
January 10.....	Russell Rigdon
January 11.....	Michelle Stokes
January 12.....	Charlie Etheridge Marshall Lowery Scottie McBride
January 13.....	Sandy Neal
January 14.....	Buddy Johns
January 15.....	Jenny Hall A.J. Johnson Ronnie Moore Bert Pettis Chris Salter Keith Stephens Justin Williams
January 16.....	Ira Bryant
January 17.....	Bill Conerly Mike Majors Matthew McIntyre Christi Scroggs Wes Thomasson Vicky Weeks
January 18.....	Tracey Bennett Gabe Cartee Chuck Dutton
January 19.....	Golden Coleman Marlin O'Guynn
January 20.....	Scott Renner
January 21.....	Daryl Batley
January 22.....	Coston Wilkerson
January 23.....	Al Earnest
January 24.....	Daniel Dees Amy Hughes Tim Whatley Lamar Williamson
January 25.....	Merill Davis David Norris Barry Orso
January 26.....	Bruce Monk Shirlean Robinson
January 27.....	Michael Davis Steve Griffin Eddie Howell
January 28.....	Caleb Williams
January 29.....	Vann Bumpers Craig Kilpatrick
January 30.....	Ceill Smith Carol Welch
January 31.....	Russ Dowling Dylan Hopper Michael Murphy



RESOLUTION RUN •



As part of its fundraising efforts for the 2012 Covington County campaign, PowerSouth's Relay For Life team sponsored its first ever 5K Resolution Run/Walk Jan. 7.

Starting at Andalusia City Hall, runners followed a road course through several downtown Andalusia neighborhoods before winding up back at City Hall where post-race prizes were awarded and winners announced.

The event was a huge success with 124 participants.

"We awarded medals to the overall male and female first place finisher and age division winners," said Micheal Davis, PowerSouth Engineer and Resolution Race

Participants took to the streets of downtown Andalusia during PowerSouth's first-ever Resolution Run/Walk.

Chairman. "We exceeded the goals we set for participation and funds raised, so I deem the race a tremendous success!"

The exact amount raised at the race will be unveiled at the Covington County Relay For Life on April 27. Meanwhile, PowerSouth's team is gearing up for its next fundraiser — Valentine apple sales.

Look for more information soon about the sale of the chocolate, caramel and nut covered apples, or contact Carol Page at (334) 427-3205 or DeAndra Pyron at (334) 427-3371 for more information. ■

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