

Unofficial Minutes until Board approval September 9, 2010

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TOMBIGBEE ELECTRIC POWER ASSOCIATION HELD AUGUST 12, 2010

The Board of Directors of the Tombigbee Electric Power Association met at the Tupelo Office on Thursday, August 12, 2010 at 5:30 p. m. and there were present the following directors:

Class of 2010

Pat Carr
Emily Gray
Larry Harris
Buddy Palmer
Brenda Shumpert

Class of 2011

Tommy Estes
Tommy David Franks (A)
Jamie Franks (A)
Guy Harris
F. G. Wiygul, Jr.

Class of 2012

Steve Holland
Don Knight
Steve Sheffield
Don Spradling
Cecil Weeks

(A)—Not present

Also present were: William W. Long, General Manager; Rudolph Franks, Auditor; Scott Hendrix, Attorney; David Kelso, Member Services Director; David Riley, Tupelo Operations Manager; Barry Thrasher, Fulton Branch Manager; and Bruce Williams, Office Manager

Pat Carr called the meeting to order and then called on Buddy Palmer to open the meeting with prayer.

Tommy Estes made a motion that the minutes of the July 2010 Board meeting be approved as prepared and mailed to Directors. Buddy Palmer seconded the motion and upon vote taken duly carried.

Mr. Carr then called on committee chairmen that had reports to make to the Board.

Committee Reports:

Rate: Tommy Estes, Chairman, reported to the Board that the committee had met earlier today for the purpose of studying certain member utility bill collection policies and procedures. Mr. Estes further stated that after sufficient study had been completed, the committee would make a report concerning action for consideration by the Board.

Public Relations and Bylaws: Cecil Weeks, Chairman, made comments concerning conversation and ideas that had been discussed among members of the committee and

other Directors on at least two topics. After a brief summary of conversation points occurring after the August 9 Annual Meeting, Cecil Weeks asked Bill Long to provide further information.

Long reported that study is being conducted in at least two (2) areas. First, committee members and the TEPA staff will continue to be making plans for activities and announcements to be presented to members as the new facility project progresses. All activities developed will be presented to the Board for consideration and approval prior to presentation to members. The second topic area involved the discussion and identification of historical items (photos, historical documents, memorabilia, etc.) that may be displayed in a prominent location in the planned new facilities for our members to observe and enjoy. Long further explained that a plan or activity would be put together for the Board to approve prior to significant expenditures.

Executive Session: There was no need identified for an Executive Session.

Attorney's Report: Scott Hendrix reported on the following information: 1.) the status of TEPA's filing with the Public Service Commission concerning TEPA's customer classification method for the purpose of paying the 2% payment to municipalities. Mr. Hendrix provided a thorough review of the basis and reason for filing with the PSC, and 2.) the status of the Oakes lawsuit against TEPA and David Carr, a TEPA employee, concerning a meter reading issue.

Auditor's Report: Mr. Franks provided the Board with a copy of his TEPA Monthly Highlights Report for June 2010 and explained details of the report (see the attached report for further details). No specific problem areas were noted nor did Directors have questions for Mr. Franks concerning the financial health of TEPA.

Manager's Report: In addition to information already discussed by Long, the following information and details were provided:

Directors were reminded of the 2010 Electric Power Associations of Mississippi Annual Meeting. All directors were encouraged to attend. Directors wishing to attend and not yet providing intentions should contact Long as soon as possible so that travel arrangements can be completed.

Long provided a report on three (3) topic areas requested at the July Board meeting by Mr. Palmer. These project areas are: 1.) Mapping: the staff has met with vendors for providing engineering services, software and field data collection. We have discussed and visited with other power distributors that have these systems being considered by TEPA to identify what we believe to be the best product application for TEPA. The staff has narrowed its search to three providers based on cost and acceptable technical capabilities. Before selecting a final provider, TEPA is investigating what amount, if any, of the field work TEPA desires to provide. Outage Management (OM): a similar process conducted for mapping has been employed for OM. Once a mapping product and vendor service has been selected, we will choose the best match of the outage

management tool. On-line Electric Bill Payments: Bruce Williams is working on a plan to implement. There will be options to select from which are planned to be reviewed with the Rate/Public Relations Committees before implementation.

Long provided information concerning the Rate Payer's Bill of Rights (RPBOR) that was approved and released by the Public Service Commission (PSC) on August 3 to be implemented by early September 2010. Basically, the Rights are a restatement of the existing Rules published by the PSC with some additional components. We have asked TVA to comment on the RPBOR and, since TVA is our rate regulator, to what extent TEPA is required to comply with the published Rights.

Long informed the Board that the September TVA Fuel Cost Adjustment (FCA) will increase slightly from 0.508 cents to 0.659 cents. TVA has verbally indicated that there are no planned wholesale rate increases through September 2011.

Long reported on several large industrial loads TEPA has provided assistance and service policy information. Project NX (a 20 MW load in the Verona region) apparently has dwindled. No dialog has occurred on this project since March of this year from NX or CDF. Power supply equipment will be diverted from this project to other future power supply plans in the Shannon region. Project Blue Fire (an 8 MW load) in Fulton appears to be moving ahead and has established a March 2011 date to receive construction power. Blue Fire plans to be in operation during the first quarter of calendar 2013. TEPA will require significant aid-to-construction charges before committing to equipment and labor purchases to serve Blue Fire.

Long reported that the TEPA Director Election and ballot preparation is on schedule. Ballots will be mailed to members Friday, August 13, 2010 barring unforeseen complications. This is the first year that Weatherall Printing will be stuffing ballots for mailing to members. In the past they have printed and labeled envelopes for this process. TEPA/CSA provided the mailing list to Weatherall's and verified delivery to the US Post Office.

Matters of Mutual Concern: None.

They're being no further business; **Tommy Estes made a motion that the September 2010 Board meeting be held at Country Gentleman Restaurant, Fulton, MS.** F. G. Wiygul seconded the motion and upon vote taken duly carried.

Pat Carr, President

F. G. Wiygul, Jr. Secretary-Treasurer

