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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 01-01-2012 , 2012, and ending 12-31-2012

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
PO BOX 15849

City or town, state or country, and ZIP + 4
HATTIESBURG, MS 394045849

D Employer identification number
64-0367992

E Telephone number
(601) 268-2083

G Gross receipts $ 771,868,875

F Name and address of principal officer
JAMES COMPTON
PO BOX 15849
HATTIESBURG, MS 394045849

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☐ 501(c)(3) ☑ 501(c) (12) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ HTTP //WWW SMEPA COOP/

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1941 **M** State of legal domicile MS

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
PROVIDE AND TRANSMIT THROUGH GENERATION AND PURCHASE OF ELECTRICITY, WHOLESALE ELECTRICITY TO 11 MEMBER OWNER COOPERATIVES, EACH SERVING RETAIL CONSUMERS

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	22
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	22
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	405
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	0	0
	9	Program service revenue (Part VIII, line 2g)	766,642,929	771,844,531
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	40,007	24,344
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	766,682,936	771,868,875
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	101,000	70,000
	14	Benefits paid to or for members (Part IX, column (A), line 4)	29,388,000	42,513,099
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	34,298,536	35,224,299
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	702,895,400	694,061,477
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	766,682,936	771,868,875
	19	Revenue less expenses Subtract line 18 from line 12	0	0

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	1,393,255,444	1,893,954,393
	21	Total liabilities (Part X, line 26)	1,155,530,175	1,613,716,025
	22	Net assets or fund balances Subtract line 21 from line 20	237,725,269	280,238,368

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

****** | 2013-06-14
Signature of officer | Date

RAYMOND HALEY CHIEF FINANCIAL OFFICER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . ☐

1 Briefly describe the organization's mission

PROVIDE AND TRANSMIT THROUGH GENERATION AND PURCHASE OF ELECTRICITY, WHOLESALE ELECTRICITY TO 11 MEMBER OWNER COOPERATIVES, EACH SERVING RETAIL CONSUMERS

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ **Yes** ☑ **No**

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ including grants of $) (Revenue $)

PROVIDE AFFORDABLE AND RELIABLE ELECTRIC ENERGY TO MEMBER COOPERATIVES THE 11 MEMBER COOPERATIVES PROVIDE SERVICE TO MORE THAN 400,000 METERS IN MISSISSIPPI SOUTH MISSISSIPPI ELECTRIC AND THE 11 MEMBER SYSTEMS ARE CONSUMER-OWNED, NON-PROFIT BUSINESSES DURING 2012 SOUTH MISSISSIPPI ELECTRIC PROVIDED MEMBER SYSTEMS WITH 9,837,766 MWH OF ENERGY

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1		No
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V . . . . ☐

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	0			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	**2a**	405			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			**2b**	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			**7f**		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**	754,507,654			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**	17,336,877			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			**13a**		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			**14b**		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 22			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 22			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		**2**	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		**5**		No
6	Did the organization have members or stockholders?		**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		**7b**		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?		**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		**9**		No

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶MS

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶RAYMOND HALEY 7037 HWY 49 N HATTIESBURG, MS (601) 268-2083

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
See Additional Data Table										

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Sub-Total . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . ▶								2,834,010	0	819,144

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶27

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
BURNS & MCDONNELL ENGINEERING PO BOX 411883 KANSAS CITY MO 641411883	ENGINEERING & CAP PROJ MGT	12,982,487
MIDWEST UNDERGROUND TECHNOLOGY 2626 MIDWEST COURT CHAMPAIGN IL 61822	MICROWAVE NETWORK CONST	9,680,686
GENERAL ELECTRIC PO BOX 643449 PITTSBURG PA 15264	REPOWERING PROJECT EQUIP	7,838,837
THE SAXON GROUP 790 BROGDON RD SUWANEE GA 30024	REPOWER PROJ CONST SVC	6,281,481
URS CORPORATION PO BOX 201008 AUSTIN TX 787201088	ENG, PROC CONST, PLANT UPGR	3,811,219

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶62

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . ▶					
Program Service Revenue			Business Code				
	2a	REVENUE FROM MEMEBERS	221000	754,507,654	754,507,654		
	b	PROGRAM RELATED INVESTMENTS	221000	11,148,334	11,148,334		
	c	REVENUE FROM NON-MEMBERS	221000	6,031,120	6,031,120		
	d	BYPRODUCT SALES & ROYALTIES	221000	157,423	157,423		
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . ▶		771,844,531			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . ▶					
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . ▶					

	(i) Real	(ii) Personal
6a Gross rents		
b Less rental expenses		
c Rental income or (loss)		

		(A)	(B)	(C)	(D)
d	Net rental income or (loss) . . . . ▶				

	(i) Securities	(ii) Other
7a Gross amount from sales of assets other than inventory		24,344
b Less cost or other basis and sales expenses		0
c Gain or (loss)		24,344

			(A)	(B)	(C)	(D)
d	Net gain or (loss) . . . . ▶		24,344	24,344		
8a	Gross income from fundraising events (not including $ ____________ of contributions reported on line 1c) See Part IV, line 18 . .	a				
b	Less direct expenses . . .	b				
c	Net income or (loss) from fundraising events . . ▶					
9a	Gross income from gaming activities See Part IV, line 19 . . .	a				
b	Less direct expenses . . .	b				
c	Net income or (loss) from gaming activities . . . ▶					
10a	Gross sales of inventory, less returns and allowances .	a				
b	Less cost of goods sold . .	b				
c	Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
11a						
b						
c						
d	All other revenue					
e	**Total.** Add lines 11a–11d . . . . . . ▶					
12	**Total revenue.** See Instructions . . . . . ▶		771,868,875	771,868,875	0	0

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

Check if Schedule O contains a response to any question in this Part IX . . . . ☐

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	70,000			
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members	42,513,099			
5	Compensation of current officers, directors, trustees, and key employees	2,353,678			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	22,564,293			
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	5,032,672			
9	Other employee benefits	3,053,252			
10	Payroll taxes	2,220,404			
11	Fees for services (non-employees)				
a	Management				
b	Legal	514,760			
c	Accounting	254,418			
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	92,877			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	693,800			
12	Advertising and promotion	82,175			
13	Office expenses	1,416,516			
14	Information technology	575,523			
15	Royalties . .				
16	Occupancy				
17	Travel	337,091			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	43,807,572			
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	47,460,780			
23	Insurance	2,090,366			
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a	POWER PURCH FOR RESALE	426,055,290			
b	COAL, NAT GAS, NUCLEAR	108,088,510			
c	GENERATION PLANT O & M	31,179,085			
d	TRANS SYSTEM O & M	24,607,554			
e	All other expenses	6,805,160			
25	**Total functional expenses.** Add lines 1 through 24e	771,868,875			
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X **Balance Sheet**

Check if Schedule O contains a response to any question in this Part X . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		2,375,884	1	19,479,282
	2	Savings and temporary cash investments		30,360,985	2	2,684,384
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		62,407,533	4	64,512,604
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		65,279,626	8	97,205,836
	9	Prepaid expenses and deferred charges		94,358,451	9	70,598,245
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 2,109,278,385			
	b	Less accumulated depreciation	10b 693,689,614	1,083,252,313	10c	1,415,588,771
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		55,126,116	13	223,696,338
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		94,536	15	188,933
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,393,255,444	16	1,893,954,393
Liabilities	17	Accounts payable and accrued expenses		84,350,487	17	68,209,945
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		55,605,000	20	51,125,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		757,012,846	23	856,839,441
	24	Unsecured notes and loans payable to unrelated third parties		43,725,000	24	451,562,000
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		214,836,842	25	185,979,639
	26	**Total liabilities.** Add lines 17 through 25		1,155,530,175	26	1,613,716,025
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets			27	
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		0	30	0
	31	Paid-in or capital surplus, or land, building or equipment fund		0	31	0
	32	Retained earnings, endowment, accumulated income, or other funds		237,725,269	32	280,238,368
	33	Total net assets or fund balances		237,725,269	33	280,238,368
	34	Total liabilities and net assets/fund balances		1,393,255,444	34	1,893,954,393

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	771,868,875
2	Total expenses (must equal Part IX, column (A), line 25)	2	771,868,875
3	Revenue less expenses Subtract line 2 from line 1	3	0
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	237,725,269
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	42,513,099
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	280,238,368

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ________ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☑ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

Additional Data

Software ID:
Software Version:
EIN: 64-0367992
Name: SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
BILLY BERRY DIRECTOR	5 20	X						16,800	0	0
ROY C GRAFE DIRECTOR	4 20	X						16,800	0	0
WILLIAM H HARDIN DIRECTOR	4 00	X		X				22,400	0	0
HARVEY LEE HEDEGAARD DIRECTOR	4 30	X						18,400	0	0
KEITH W HURT DIRECTOR	7 00	X						17,600	0	0
CHARLES A LOPEZ DIRECTOR	3 00	X						8,800	0	0
DON JORDAN DIRECTOR	10 40	X		X				24,000	0	0
WA KENDRICK DIRECTOR	2 80	X						12,800	0	0
GREG KITCHENS DIRECTOR	3 90	X						12,000	0	0
MACK MAULDIN DIRECTOR	2 60	X		X				23,200	0	0
PERCY MCCAA DIRECTOR	6 20	X						22,400	0	0
JOHN W MOSLEY DIRECTOR	6 30	X						18,400	0	0
BOB OCCHI DIRECTOR	3 10	X						21,600	0	0
GORDON REDD JR DIRECTOR	2 90	X						9,600	0	0
JOHN B REED DIRECTOR	5 00	X						16,000	0	0
RW ROBERTSON DIRECTOR	3 50	X						18,400	0	0
JOE SHELTON III DIRECTOR	3 70	X						3,200	0	0
CH SHELTON DIRECTOR	5 20	X						20,800	0	0
JERRY LAMAR SISCO DIRECTOR	2 40	X						16,000	0	0
RANDY SMITH DIRECTOR	2 20	X						18,400	0	0
WILLIAM D SMITH DIRECTOR	7 00	X						18,400	0	0
LOUIS S THOMPSON DIRECTOR	4 00	X						18,400	0	0
RANDY WALLACE DIRECTOR	3 80	X						17,600	0	0
HENRY C WATERER JR DIRECTOR	9 50	X		X				32,000	0	0
JAMES COMPTON GENERAL MANAGER/CEO	50 00			X				772,266	0	137,587

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
RAYMOND HALEY CHIEF FINANCIAL OFFICER	45 00			X				233,790	0	82,385
MARCUS WARE ASST GENERAL MANAGER	50 00				X			276,529	0	100,039
NATHAN BROWN CHIEF OPERATING OFFICER	50 00				X			264,181	0	115,242
TERRY LEE CHIEF ENGINEERING OFFICER	45 00					X		198,595	0	141,421
JAMES B EDWARDS DIRECTOR, GENERATION RESOURCES	68 00					X		185,704	0	52,172
BRAD WOLFE CHIEF POWER DELIVERY	40 00					X		182,933	0	55,930
ROGER SMITH DIRECTOR OF WHOLESALE SERVICES	45 00					X		154,435	0	90,712
JERRY PIERCE DIR TRANSMISSION CONSTRUC	40 00					X		141,577	0	43,656

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

Employer identification number
64-0367992

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶______________

4 Number of states where property subject to conservation easement is located ▶______________

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶______________

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ______________

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ______________

(ii) Assets included in Form 990, Part X ▶ $ ______________

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ______________

b Assets included in Form 990, Part X ▶ $ ______________

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ **Yes** ☐ **No**

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ **Yes** ☐ **No**

b If "Yes," explain the arrangement in Part XIII and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ **Yes** ☐ **No**

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Temporarily restricted endowment ▶

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		35,329,436		35,329,436
b Buildings		298,629,170	151,829,223	146,799,947
c Leasehold improvements		6,144,442	2,144,038	4,000,404
d Equipment		1,629,427,694	478,626,865	1,150,800,829
e Other		139,747,643	61,089,488	78,658,155
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				1,415,588,771

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) MISSISSIPPI POWER CO KEMPER PROJECT DEPOSIT	162,526,390	C
(2) CAPITAL TERM CERTIFICATES	6,250,764	C
(3) ECONOMIC DEVELOPMENT PROJECTS	2,795,802	C
(4) DEBT SERVICE RESERVE	4,844,481	C
(5) NUCLEAR DECOMMISSIONING TRUST	43,219,731	F
(6) CAPITAL STOCK	1,370,784	C
(7) OTHER	2,688,386	C
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶	223,696,338	

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	185,979,639

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	760,696,197
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	760,696,197
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	11,172,678		
c	Add lines **4a** and **4b**			4c	11,172,678
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	771,868,875

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	718,183,097
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	718,183,097
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	53,685,778		
c	Add lines **4a** and **4b**			4c	53,685,778
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	771,868,875

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
PART XI, LINE 4B - OTHER ADJUSTMENTS		INCLUDED ON SUPPLEMENTAL INFORMATION
PART XII, LINE 4B - OTHER ADJUSTMENTS		INCLUDED ON SUPPLEMENTAL INFORMATION
		PART XI LINE 4 (B) DESCRIPTION FORM 990 REVENUE INCLUDES NET GAIN ON ASSET SALES AUDITED FINANCIALS INCLUDE THIS $24,344 AS A "CONTRA-EXPENSE" AUDITED FINANCIALS INCLUDE INTEREST INCOME AND PATRONAGE CAPITAL INCOME AS SEPARATE LINE ITEMS FOLLOWING OPERATING EXPENSES FORM 990 INCLUDES THIS AMOUNT, $11,148,334, IN REVENUES PART XII LINE 4(B) PART XIII DESCRIPTION SEE EXPLANATION FOR PART XII ABOVE ADDITIONALLY, 2012 ANNUAL NET MARGIN ON AUDITED FINANCIALS IS REPORTED AS EXPENSE ON FORM 990 SINCE THE MARGINS ARE ALLOCATED BACK TO MEMBERS AS PATRONAGE CAPITAL ($42,513,100)

Additional Data

Software ID:
Software Version:
EIN: 64-0367992
Name: SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

Form 990, Schedule D, Part X, - Other Liabilities

1 **(a)** Description of Liability	**(b)** Book Value
CAPITAL LEASE OBLIGATION	2,074,599
DEFINED MEDICAL PLAN FOR RETIREES	8,722,600
NUCLEAR DECOMMISSIONING OBLIGATION (ARO)	53,152,305
DEFERRED CREDITS - GAS HEDGING	17,153,640
DEFERRED CREDITS - POWER COST ADJUSTMENT	21,786,477
DEFERRED CREDIT - ECONOMIC DEVELOPMENT GRANTS	3,878,495
DEFERRED CREDIT - CLEAN AIR ALLOWANCES UTILIZED	1,289,671
POWER SUPPLY DEVELOPMENT FUND	25,000,000
MEMBER ENERGY PREPAYMENTS	43,343,954
MEDICAL INSURANCE CONTRIBUTIONS	2,422,192
DEFERRED INTEREST INCOME-MISSISSIPPI POWER COMPANY DEPOSIT	6,242,169
UNREALIZED GAIN-DECOMMISSIONING TRUST FUND	913,537

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

Employer identification number
64-0367992

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) SOU DELTA PLANNING & DEV PO BOX 1776 GREENVILLE, MS 38702	64-0466158	501(C)(3)	5,000				LINEMAN TRAINING SCHOOL
(2) COMPETITIVE EDGE 1 CONVENTION CENTER PLAZA HATTIESBURG, MS 39401	20-5162135	501(C)(3)	10,000				ECONOMIC DEVELOPMENT
(3) STRINGER'S INTERNATIONAL & CROP P PO BOX 250 CLARKSDALE, MS 38614	64-0134798	501(C)(12)	15,000				ECONOMIC DEVELOPMENT
(4) BF SMITH FOUNDATION PO BOX 257 STONEVILLE, MS 38776	64-0146265	501(C)(3)	25,000				ECONOMIC DEVELOPMENT
(5) AREA DEVELOPMENT PARTNERSHIP PO BOX 751 HATTIESBURG, MS 39403	64-0219645	501(C)(12)	15,000				ECONOMIC DEVELOPMENT
(6)							ECONOMIC DEVELOPMENT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 2

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 3

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION BOARD OF DIRECTORS EVALUATES REQUESTS, SUBSEQUENT TO SCREENING BY MEMBER SYSTEM BOARD OF DIRECTORS, FOR PROJECTS THAT WILL ENHANCE OR STIMULATE ECONOMIC GROWTH IN MEMBER SYSTEM AREAS THE SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION BOARD APPROVES THESE REQUESTS PRIOR TO DISBURSEMENT
	PART II - ITEM 3	SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION ISSUED PAYMENT TO COAHOMA ELECTRIC POWER ASSOCIATION, A MEMBER DISTRIBUTION COOPERATIVE COAHOMA ELECTRIC POWER ASSOCIATION IN TURN ISSUED PAYMENT TO THE ENTITY DENOTED IN COLUMN 1(A) EIN, ADDRESS, AND IRC SECTION REPORTED IN PART II ARE THOSE FOR COAHOMA ELECTRIC POWER ASSOCIATION
	PART II - ITEM 4	SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION ISSUED PAYMENT TO DELTA ELECTRIC POWER ASSOCIATION, A MEMBER DISTRIBUTION COOPERATIVE DELTA ELECTRIC POWER ASSOCIATION IN TURN ISSUED PAYMENT TO THE ENTITIES DENOTED IN COLUMN 1(A) EIN, ADDRESS, AND IRC SECTON REPORTED IN PART II ARE THOSE FOR DELTA ELECTRIC POWER ASSOCIATION
	PART II - ITEM 5	SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION ISSUED PAYMENT TO PEARL RIVER VALLEY ELECTRIC POWER ASSOCIATION, A MEMBER DISTRIBUTION COOPERATIVE PEARL RIVER VALLEY ELECTRIC POWER ASSOCIATION IN TURN ISSUED PAYMENT TO THE ENTITIES DENOTED IN COLUMN 1(A) EIN, ADDRESS, AND IRC SECTON REPORTED IN PART II ARE THOSE FOR PEARL RIVER VALLEY ELECTRIC POWER ASSOCIATION

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

Employer identification number
64-0367992

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ Compensation committee ☐ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	**4c**		No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III	**5b**		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III	**6b**		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)JAMES COMPTON GENERAL MANAGER/CEO	(i)	463,943	51,266	257,057	122,684	14,903	909,853	0
	(ii)	0	0	0	0	0	0	0
(2)RAYMOND HALEY CHIEF FINANCIAL OFFICER	(i)	218,405	10,703	4,682	68,853	13,532	316,175	0
	(ii)	0	0	0	0	0	0	0
(3)MARCUS WARE ASST GENERAL MANAGER	(i)	263,847	10,861	1,821	85,675	14,364	376,568	0
	(ii)	0	0	0	0	0	0	0
(4)NATHAN BROWN CHIEF OPERATING OFFICER	(i)	249,828	11,356	2,997	101,464	13,778	379,423	0
	(ii)	0	0	0	0	0	0	0
(5)TERRY LEE CHIEF ENGINEERING OFFICER	(i)	185,239	8,099	5,257	128,383	13,038	340,016	0
	(ii)	0	0	0	0	0	0	0
(6)JAMES B EDWARDS DIRECTOR, GENERATION RESOURCES	(i)	174,094	6,559	5,051	39,492	12,680	237,876	0
	(ii)	0	0	0	0	0	0	0
(7)BRAD WOLFE CHIEF POWER DELIVERY	(i)	173,018	7,604	2,311	43,106	12,824	238,863	0
	(ii)	0	0	0	0	0	0	0
(8)ROGER SMITH DIRECTOR OF WHOLESALE SERVICES	(i)	146,394	4,993	3,048	78,158	12,554	245,147	0
	(ii)	0	0	0	0	0	0	0
(9)JERRY PIERCE DIR TRANSMISSION CONSTRUC	(i)	136,799	2,768	2,010	36,342	7,314	185,233	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION	PART III	SEE 409A DOCUMENT CORRECTION STATEMENT ATTACHED TO RETURN

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 64-0367992
Name: SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other compensation				
JAMES COMPTON	(i)	463,943	51,266	257,057	122,684	14,903	909,853	0
	(ii)	0	0	0	0	0	0	0
RAYMOND HALEY	(i)	218,405	10,703	4,682	68,853	13,532	316,175	0
	(ii)	0	0	0	0	0	0	0
MARCUS WARE	(i)	263,847	10,861	1,821	85,675	14,364	376,568	0
	(ii)	0	0	0	0	0	0	0
NATHAN BROWN	(i)	249,828	11,356	2,997	101,464	13,778	379,423	0
	(ii)	0	0	0	0	0	0	0
TERRY LEE	(i)	185,239	8,099	5,257	128,383	13,038	340,016	0
	(ii)	0	0	0	0	0	0	0
JAMES B EDWARDS	(i)	174,094	6,559	5,051	39,492	12,680	237,876	0
	(ii)	0	0	0	0	0	0	0
BRAD WOLFE	(i)	173,018	7,604	2,311	43,106	12,824	238,863	0
	(ii)	0	0	0	0	0	0	0
ROGER SMITH	(i)	146,394	4,993	3,048	78,158	12,554	245,147	0
	(ii)	0	0	0	0	0	0	0
JERRY PIERCE	(i)	136,799	2,768	2,010	36,342	7,314	185,233	0
	(ii)	0	0	0	0	0	0	0

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

Employer identification number
64-0367992

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	THE BOARD OF DIRECTORS OF SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION CONSISTS OF 2 DIRECTORS FROM EACH OF THE 11 MEMBER NONPROFIT DISTRIBUTION COOPERATIVES THAT OWN SOUTH MISSISSIPPI ELECTRIC POWER FOR A TOTAL OF 22 DIRECTORS ONE OF 2 DIRECTORS SERVING ON SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION'S BOARD OF DIRECTORS IS THE GENERAL MANAGER OF THE MEMBER COOPERATIVE AND THE OTHER IS A DIRECTOR SERVING ON THE BOARD OF DIRECTORS OF THE MEMBER COOPERATIVE THUS THE GENERAL MANAGER AND DIRECTOR FROM EACH MEMBER COOPERATIVE HAVE A BUSINESS RELATIONSHIP WITH EACH OTHER WHILE SERVING AS DIRECTORS FOR SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	SEE RESPONSE TO PART VI SECTION A QUESTION 2 ABOVE.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	SEE RESPONSE TO PART VI SECTION A QUESTION 2 ABOVE.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	A COPY OF THE 2012 FORM 990 WAS REVIEWED WITH THE AUDIT COMMITTEE AND REPORTED TO THE BOARD OF DIRECTORS ON THE AUDIT COMMITTEE'S RECOMMENDATION, THE BOARD AUTHORIZED THE EXECUTION AND FILING OF THE RETURN

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	CONFLICT OF INTEREST POLICY ENFORCEMENT - DIRECTORS, OFFICERS, AND KEY EMPLOYEES ANNUALLY COMPLETE, AND SIGN, A QUESTIONNAIRE RELATIVE TO INDEPENDENCE, BUSINESS RELATIONSHIPS, ETC

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	A SALARY SURVEY WAS CONDUCTED IN 2012 BY AN INDEPENDENT ENTITY FIVE SIMILARLY SIZED GENERATION AND TRANSMISSION COOPERATIVES WERE SURVEYED THE FOLLOWING POSITIONS WERE SURVEYED GENERAL MANAGER/CEO, ASSISTANT GENERAL MANAGER, CHIEF ENGINEERING OFFICER, CHIEF FINANCIAL OFFICER, CHIEF OF TRANSMISSION, AND CHIEF OPERATING OFFICER THE BOARD OF DIRECTORS WAS PROVIDED THE SALARY SURVEY RESULTS THE BOARD DETERMINES THE SALARY FOR THE GENERAL MANAGER/CEO THE GENERAL MANAGER/CEO UTILIZED THE SURVEY FOR KEY EMPLOYEES ADDITIONALLY, THE GENERAL MANAGER/CEO ADVISES THE BOARD OF AVERAGE ANNUAL SALARY INCREASE AS PART OF THE ANNUAL BUDGET APPROVAL PROCESS APPROVAL OF THE ANNUAL BUDGET IS DOCUMENTED IN BOARD MINUTES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	RECEPTIONISTS HAVE BEEN INFORMED THAT THE FORM 990 WILL BE MADE AVAILABLE. A FORM IS UTILIZED FOR PARTIES REQUESTING A COPY OF THE FORM 990 THIS FORM ADVISES REQUESTING PARTIES THAT PHOTOCOPIES WILL BE MADE AVAILABLE UPON RECEIPT OF COPYING FEES (ALSO SPECIFIED IN THE REQUEST FORM) FINANCIAL STATEMENTS ARE AVAILABLE ON THE ORGANIZATION'S WEBSITE.

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THERE WERE NO CHANGES IN THESE PROCESS FOR THE 2012 TAX YEAR

Identifier	Return Reference	Explanation
OTHER CHANGE IN ASSET OR FUND BALANCE	FORM 990, PART XI, LINE 9 -	EXCESS OF REVENUES OVER EXPENSES, OR NET MARGIN, IS ALLOCATED TO THE 11 MEMBER COOPERATIVES BASED ON SALES THIS IS ONLY AN ALLOCATION OF PATRONAGE CAPITAL NO ACTUAL PAYMENT IS MADE TO THE MEMBERS THIS ALLOCATION OF PATRONAGE CAPITAL IS SHOWN AS A FUNCTIONAL EXPENSE IN PART IX, NUMBER 4, PER FORM 990 INSTRUCTIONS EFFECTIVE FOR 2012 REPORTING SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION DOES NOT INCLUDE THIS ALLOCATION OF PATRONAGE CAPITAL AS AN EXPENSE FOR FINANCIAL REPORTING

Identifier	Return Reference	Explanation
STATEMENT REQUIRED UNDER SECTION XII B OF IRS NOTICE 2010-6	409A DOCUMENT CORRECTION UNDER SEC IV B, VII C & VII E OF NOTICE 2010-6	SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION (THE TAXPAYER)HEREBY ATTACHES TO ITS 2012 FORM 990 THIS STATEMENT CONTAINING THE FOLLOWING INFORMATION REQUIRED BY SECTION XII B OF IRS NOTICE 2010-6 (1) THE NAME AND TAXPAYER IDENTIFICATION NUMBER OF THE SERVICE PROVIDER (HEREINAFTER COLLECTIVELY REFERRED TO AS THE SERVICE PROVIDER) AND THE DOCUMENT FAILURES AFFECTING THE SERVICE PROVIDER ARE JAMES N COMPTON IV B, VII C AND VII E (2) THE NONQUALIFIED DEFERRED COMPENSATION PLANS WITH RESPECT TO WHICH SUCH FAILURES HAVE OCCURRED ARE (A) THE EMPLOYMENT AGREEMENT AND DEFERRED COMPENSATION PLAN WITH JAMES N COMPTON, EMPLOYEE (FAILURES CORRECTED UNDER SECTIONS IV B, VII C AND VII E), AND (B) THE SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION DEFERRED COMPENSATION PENSION RESTORATION PLAN (FAILURE CORRECTED UNDER SECTION VII E) (3) EACH DOCUMENT FAILURE IS ELIGIBLE FOR THE CORRECTION UNDER THE TERMS OF NOTICE 2010-6 AND IS CORRECTED UNDER SECTIONS IV B, VII C AND VII E THEREOF, AS APPLICABLE THE TAXPAYER HAS TAKEN ALL ACTIONS REQUIRED AND OTHERWISE MET ALL REQUIREMENTS FOR CORRECTION OF EACH DOCUMENT FAILURE AS OF DECEMBER 31, 2012, THE LAST DAY OF THE TAXPAYER TAXABLE YEAR IN WHICH THE CORRECTION IS MADE THE DATE OF CORRECTION OF EACH DOCUMENT FAILURE IS APRIL 3, 2012 NO EVENT CAUSING THE INCLUSION OF AN AMOUNT IN INCOME UNDER SECTION 409A OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE), BY THE SERVICE PROVIDER HAS OCCURRED (4) THE COMBINED PRESENT VALUE OF THE AMOUNT INVOLVED IN EACH DOCUMENT FAILURE DESCRIBED IN SECTIONS IV B, VII C AND VII E OF NOTICE 2010-6 IS APPROXIMATELY TWO HUNDRED FIFTY-ONE THOUSAND TWO HUNDRED THIRTY-ONE AND 80/100 DOLLARS ($251,231 80) AS OF APRIL 3, 2012 NO AMOUNT IS REQUIRED TO BE REPORTED BY THE TAXPAYER AS INCLUDIBLE IN INCOME UNDER SECTION 409A(A) OF THE CODE AS PART OF THE CORRECTION AND NO PERCENTAGE OF THE AMOUNT INVOLVED IN EACH DOCUMENT FAILURE IS REQUIRED TO BE INCLUDED IN INCOME UNDER SECTION 409A(A) OF THE CODE AS PART OF THE CORRECTION