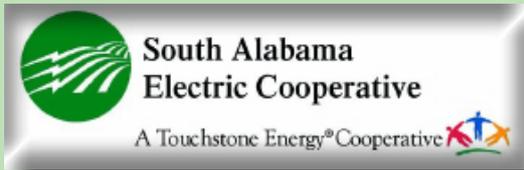




Max Davis
General Manager of South Alabama
Electric Cooperative



South Alabama Electric Monthly Operating Report

KWH Sold	27,826,234
Avg. Utility Bill	\$192.43
Average Use.	1,711
Total Accounts Billed	16,262
Total Miles of Line	2,614
Consumers per mile of line	6.22

Information from OCTOBER 2010

Home Is Where Our Heart Is

Directors and employees at South Alabama Electric want to see the communities we serve succeed. Why? The answer's simple: we live here, too.

Local people working for local good. That's the essence of the Seventh Cooperative Principle, "Concern for Community," one of seven guidelines that governs electric cooperative operations.

First and foremost, SAEC strengthens our communities by doing what we do best: providing a safe and reliable supply of electricity at a affordable cost. As our service area grows, so does our distribution system. So it's easy to see why strengthening the local economy makes sound business sense. Your board of trustees and staff supports policies and projects that are good for the communities we serve because what's good for our community is good for the co-op.

We have strong community roots. South Alabama Electric has been in business for almost 75 years—we're not going anywhere. Our business was founded here by members just like you.

We open doors for our young people with scholarship programs and the annual Rural Electric Youth Tour trips to Montgomery and Washington, D.C. We teach children safety through programs in schools and online. We help members identify ways to save money by performing home and business energy audits. Touchstone Energy's Together We Save campaign is another way we help you learn to manage your energy usage. On togetherwesave.com, you can learn how the little changes add up to big savings on your monthly electric bill.

We also strengthen our communities by supporting local charities.

Your co-op was formed locally, and it's still managed by your friends and neighbors. Our employees go out of their way to serve by coaching youth sports teams, volunteering on school committees, and participating in church activities. Many are co-op members like you, and like you they want to make their communities stronger.

With the holiday's upon us, we wanted to take this opportunity to thank you for your support of the cooperative. As we look forward to 2011, we want you to know that when it comes to your cooperative - South Alabama Electric - community comes first. That's the cooperative difference.

The employees, management and trustees of South Alabama Electric Cooperative would like to wish each of you a very merry Christmas and a prosperous New Years.



How to read your new



smart meter

Your new Smart Meter allows the cooperative to collect more information about the utility system. That's why when you look at your new meter, you may notice that the display will blink a series of three sets of numbers.

The first set is all eights (photo 1). This is a test pattern to make sure that all the digits are showing-up correctly on the LED screen. If there is a problem with one of the "eights", it doesn't mean that the meter reading is wrong, it means that there is a problem with the display.

The second group of numbers has a "v" in front of three numbers that should range from 220 to 254. This is SAEC's line voltage, not the voltage inside your house (photo 2).

The final set of numbers (photo 3) is the actual kWh reading - or how kilowatt hours have flown through that meter. This is what your monthly power bill is based on.



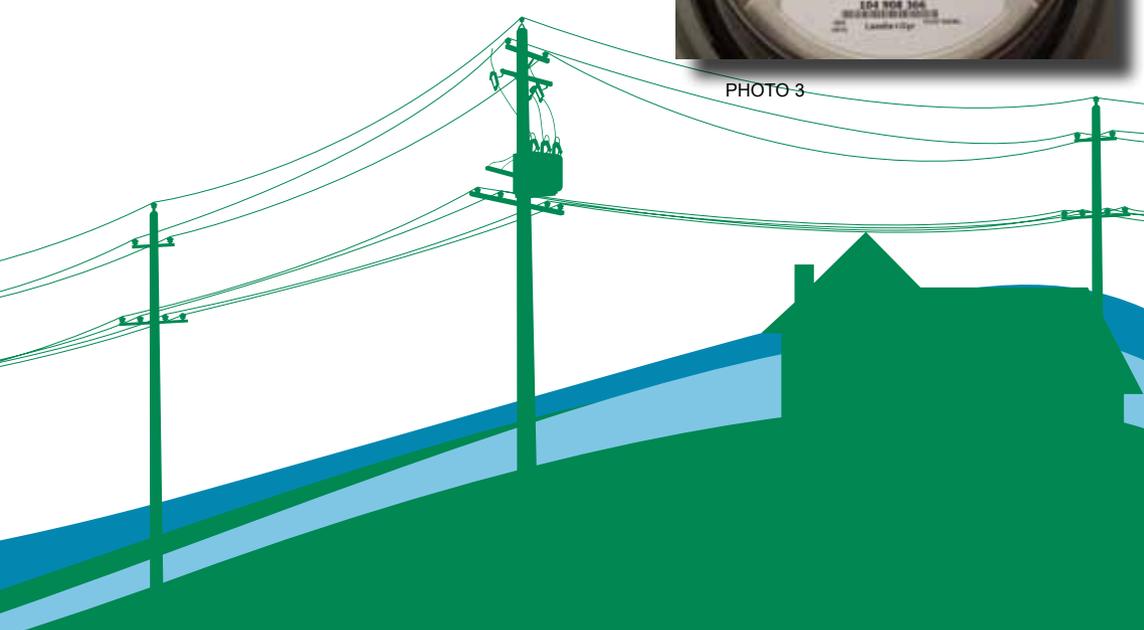
PHOTO 1



PHOTO 2



PHOTO 3



Board of Trustees

Bill Hixon
District 1

James Shaver
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Leo Williams
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**Look for Annual
Meeting Highlights
on page 8**



Probate Judge dons boots for Farm City Job Swap

The Farm-City Job Swap always provides the opportunity for two individuals to step out of their familiar routine and learn more about someone else's occupation. This year Pike County Probate Judge Wes Allen put on his boots and went to work with Joe Murphy, a pike county cattle and poultry farmer.

Murphy's farm is located in Linwood and Allen spent a few minutes enjoying the quiet before his work began.

"I'm amazed at what you can hear when you get away from town," he said. "It's very peaceful out here watching the horses graze and the doves fly."

But quiet time didn't last long for Allen. It was time to head off to the poultry houses.

"Each house has about 17,000 birds," Murphy said. "There's a lot of time, money and technology that goes in to having a successful poultry operation."

Technology plays a big part in the operations today.

"We have controls that allow us to monitor the climate in the houses and also regulates the feed and water the birds receive," Murphy explained. "Lighting is another big issue for poultry farmers. The way you regulate the lighting and the food directly relates to how well the birds grow."

Technology isn't something that's foreign to Allen either. Since taking over as probate judge, he's implemented a lot of changes to help make things easier for the people of Pike County.

"We've developed a way for county residents to mail in tag renewals instead of having to come stand in line at the office," Allen said. "We've also created a Facebook page where we put reminders and information about the probate office as well. We hope this is just the start of many more improvements to come."

After leaving the poultry houses, Allen's next

duty was inspecting the herd of cows.

"I grew up helping my grandfather on his farm," Allen said. "So farm life isn't new to me. I just forgot how much work goes into an operation like this. Even when Joe is out of birds, there's a lot of



Poultry and cattle farmer Joe Murphy (left) examines property recordings with Probate Judge Wes Allen (right).
Opposite page: Murphy's poultry operation control room.

work that goes on making sure the houses are ready for the next batch. The pastures have to be maintained for the cattle and horses. It seems like the work is never done."

Another place where the work is never done is the Probate Office located at the Pike County Courthouse.

"I really hadn't thought about all that went on in the Probate Office," Murphy said. "It's more than just tags and deeds.

I spent a lot of time in the records room because we deal with property lines a lot. But I didn't know about everything else that was recorded here."

According to Allen, who has performed more than 100 marriages already, marriage ceremonies and adoption proceedings are among his favorite duties.

"Our office deals with a lot of family matters," Allen said. "We probate wills and help families when they are dealing with issues like mental commitments."

The probate office was especially busy during the job swap due to the timing. It was just a couple of weeks before election day.

"I didn't realize how much was involved in getting ready for election day in Pike County. There are lots of security measures in place not to mention coordinating the delivery of the voting machines around the county."

Both men left the job swap with an appreciation for the time and effort the other puts into their chosen profession and an admiration for each, since each job touches the lives of so many.



Record crowd attends 2010 SAEC Annual Membership Meeting

A record 670 members registered at the 2010 South Alabama Electric Annual Membership Meeting held in October of 2010.

“Our members are the most important piece of our organization,” General Manager Max Davis said. “It’s important that they participate, vote and learn about the business of the cooperative each year.”

Along with entertainment from Wiregrass Christian artist Crickett Lee, the crowd was also enjoyed gospel music by Brian Free and Assurance.

A display featuring the new Smart Meter program was a big draw for members. They learned about how these meters function and the information the cooperative can collect and use to better maintain the distribution system.

“Meters aren’t the only thing changing at SAEC,” Davis said. “Thanks to the lower prices of fuels, coal and natural gas, that are purchased for generation of electricity by our G&T – PowerSouth Energy Cooperative, we have been able to pass along savings to you since February 2010. As our



Diane Madison, with Landis & Gyr, demonstrated how new Smart Meters operate.

wholesale power cost has reduced, we have been able to pass along the savings to you. Looking forward to next year, PowerSouth and its member systems will be working through a number of proposed regulations from several government agencies, such as EPA, that could have a huge impact on your electric costs. Next year when Congress and the

State Legislature convene, climate and energy related bills could re-

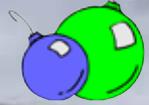
appear that would impact your electric costs. On a better note for next year, it appears the cost of coal and natural gas fuels used for the generation of electricity will remain close to same as 2010 which will tend to have a stabilizing effect on your electric costs.”

Trustee positions for District One and Two were up for election. Bill Hixon and Jimmy Shaver were returned to office for a three year term.

The meeting adjourned following the awarding of door prizes.



*Catch the
Holiday Spirit in
Brundidge*



**Come visit
Brundidge for a
small town
Christmas feeling.**

Enjoy lighted displays placed
throughout the city.

*From all of us,
to all of you -
we wish you a very merry
Christmas.*

