

A Season of Growth

Over the years Mississippi County Electric Cooperative, Inc. has experienced growth and success by operating differently from other businesses. Just as each season of the year is unique, each aspect of the electric cooperative business model is distinctive.

Our business model centers around seven basic principles: voluntary and open membership; democratic member control; members' economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community.

These basic principles have guided Mississippi County Electric Cooperative, Inc. through many seasons of growth and change. And, since the formation of your local electric cooperative, we have worked as advocates for our members. Mississippi County Electric Cooperative, Inc. thinks this is more important than ever as we work together to provide you with reliable, reasonably priced electricity.

This advocacy has resulted in great success in the electric cooperative program throughout Arkansas, including the formation of Arkansas Electric Cooperative Corporation (AECC), which provides independent, dependable wholesale power to Mississippi County Electric Cooperative, Inc. As a not-for-profit business, we are motivated by service to local members, not stockholders.

Looking Out for You

Congress did not pass a comprehensive climate bill last year. In January, the U.S. Environmental Protection Agency (EPA) began regulating greenhouse gasses—an action made possible by a 2007 Supreme Court decision, followed by rulings allowing the EPA to use the Clean Air Act to curb carbon emissions. Policies dealing with coal ash, even more stringent controls on power plant emissions, and state renewable energy requirements could also impact costs. It is a challenge to predict future seasons, but government regulations can increase the cost of doing business.

New regulations won't be the only culprit. Prices for fuel, materials and equipment continue to rise. Although the recent economic slump and corresponding drop in electricity consumption provided some much-needed breathing room, new power plants, which require significant, long-term investment of time and money, will be required in the future.

Mississippi County Electric Cooperative, Inc. is committed to keeping you informed about policy changes that impact your electric bill through channels such as *Rural Arkansas Living* magazine. Be assured, we are going to work diligently to keep your electric bills affordable.

Controlling Costs

With affordability in mind, your local electric cooperative strives to control costs through innovation. Mississippi County Electric Cooperative, Inc. and AECC are dedicated to assisting members through energy efficiency programs. From home energy audits to an energy efficiency home makeover contest, your cooperative strives to educate our members on the topic of energy efficiency. A comprehensive resource list is available at: www.smartenergytips.org.

Another key tool for your cooperative is the deployment of technology. Automated meter reading, load control and global information system tools are examples of state-of-the-art solutions that have been implemented to reduce cost and improve reliability. Mississippi County Electric Cooperative, Inc. maintains a local presence and utilizes technology to provide our members with improved levels of service.

Current Season

Although the seasons and climate of issues may change, the mission of Mississippi County Electric Cooperative, Inc. remains the same: We exist only to serve you and meet your needs for safe, reliable and reasonably priced power. No matter what the future seasons may bring, Mississippi County Electric Cooperative, Inc. will always be looking out for you.

Your Board of Directors and Officers

Robert Earl Davis

Chairman

Neil M. Burge

Vice Chairman

Steve West

Secretary-Treasurer

Diana Holmes

Director

David D. Wildy

Director



Mississippi County Electric Cooperative, Inc.

Your Local Energy Partner

WWW.MCECI.COM

A Touchstone Energy® Cooperative 

Authorized provider of
WildBlue Satellite Speed Internet Service

510 North Broadway, P.O. Box 7
Blytheville, Arkansas 72316
870-763-4563 or 800-439-4563

2010 ANNUAL REPORT

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Condensed Operating Statement

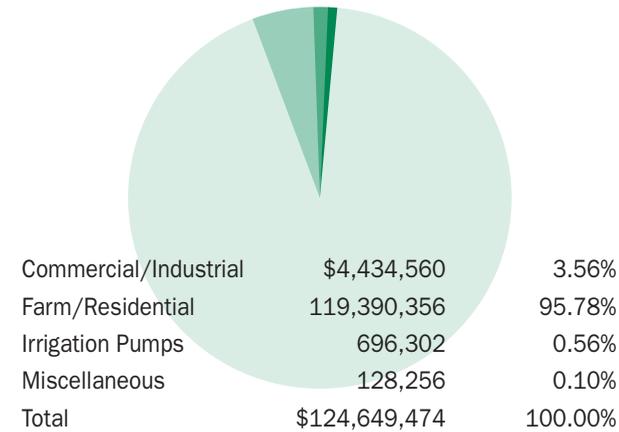
	<u>2010</u>	<u>2009</u>
Operating Revenues	\$123,649,474	\$88,670,193
Power Cost	\$116,520,604	\$82,872,937
Operations and Maintenance	3,020,252	2,474,696
Depreciation	1,093,876	1,005,935
Interest and Other Deductions	674,368	694,785
Total Operating Expenses	<u>\$121,309,100</u>	<u>\$87,148,353</u>
Margins from Operations	\$2,340,374	\$1,521,840
Non-Operating Margins	3,324,728	584,946
Net Margins	<u>\$5,665,102</u>	<u>\$2,106,786</u>

Condensed Balance Sheet

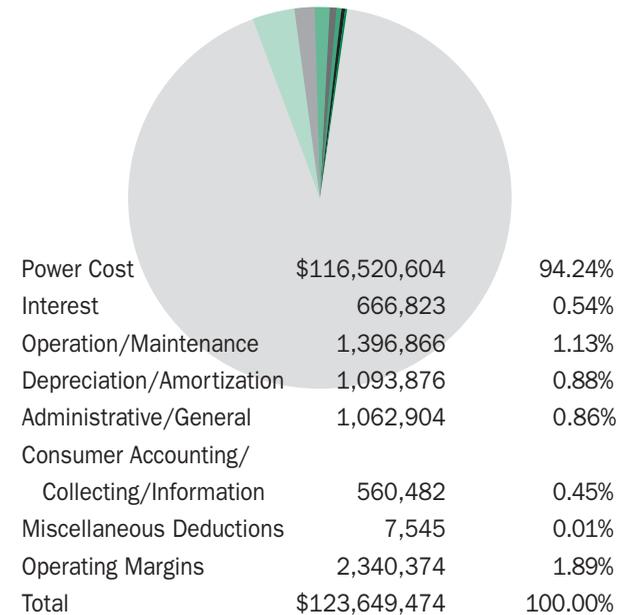
Assets	<u>2010</u>	<u>2009</u>
Electric Plant	\$36,646,293	\$35,444,908
Less Accumulated Depreciation	7,107,005	6,288,146
Net Utility Plant	\$29,539,288	\$29,156,762
Current Assets	17,210,412	15,144,732
Other Assets	32,680,235	29,945,693
Total Assets	<u>\$79,429,935</u>	<u>\$74,247,187</u>
Liabilities and Members' Equity		
Members' Equity	\$52,612,746	\$48,265,962
Long-Term Debt	12,626,218	13,053,949
Current Liabilities	12,711,128	11,645,420
Other Liabilities	1,479,843	1,281,856
Total Liabilities and Members' Equity	<u>\$79,429,935</u>	<u>\$74,247,187</u>

Revenue Dollar 2010

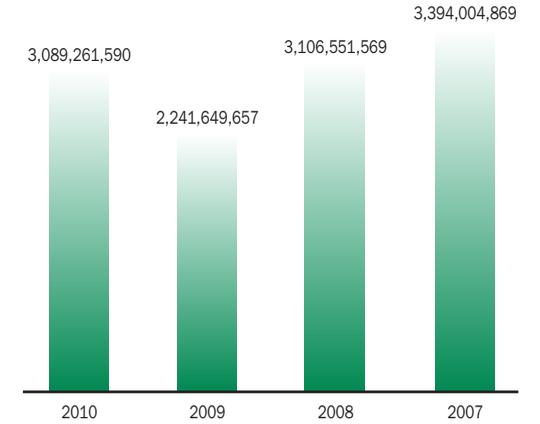
How It Was Earned



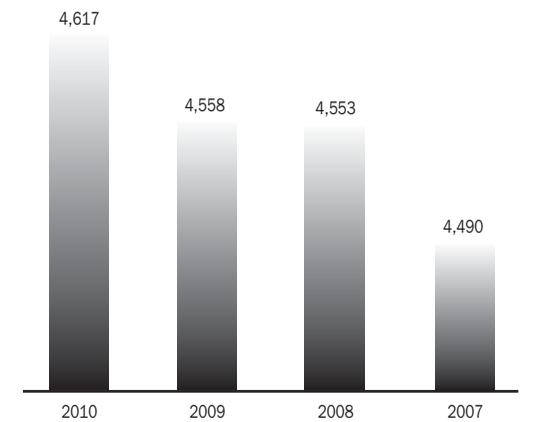
How It Was Used



Total kWh Bought by Cooperative Members



Average Number of Meters Billed Per Period



Average Residential Rate Per kWh (¢)

