

## **PRESIDENT'S REPORT**

B. F. Hudson, Jr.

The same cooperative spirit that created Pearl River Valley Electric Power Association 80 years ago has contributed to another successful year for your Association.

Our goal remains to provide high quality electric service at the lowest possible cost in keeping with sound business practices.

Your Board of Directors is committed to meeting the needs of our member-owners. Throughout these years of service, we have worked hard to gain the trust and respect of our members—for it is that trust and respect we value most. As your Board, we will continue to work toward maintaining the economic strength and stability of your Association.

## **WHOLESALE POWER COSTS**

Purchasing wholesale power accounts for nearly 80 percent of our overall cost of providing electric service to members. PRVEPA is a member-owner of Cooperative Energy, a generation and transmission cooperative. This arrangement ensures us of having our wholesale power delivered on a not-for-profit basis.

Cooperative Energy's strategy to generate electricity is to use a broad mix of fuels—including coal, gas, nuclear, hydro and other renewable sources—which helps keep costs as low as possible. Finding new, cost-effective ways to meet our wholesale power needs is a continuing priority and your PRVEPA Board will be closely watching developments throughout the industry.

## **ECONOMIC DEVELOPMENT**

Your Association is very active in promoting economic development for our 12-county service area. We work with state and local organizations, as well as Cooperative Energy, to encourage new and existing businesses to expand where possible, so that additional employment and other economic benefits will come to our area.

## **CORE BUSINESS**

Many electric power associations have undertaken various business enterprises other than their primary function of providing electricity to customers. We have studied this matter carefully at different times over the years. Each time your Board of Directors has determined that our primary purpose should continue to be furnishing electric service to our members at the lowest possible cost. Furthermore, no activities will be engaged in which will interfere with, or diminish, that purpose. However, we will not close the door on looking at different business activities should opportunities present themselves in the future.

## **ANNUAL MEETING**

Pearl River Valley is an electric cooperative owned by the consumers it serves. The annual meeting gives members an opportunity to learn about the progress of your Association and to participate in its business plans. We encourage you to be an active, informed member and attend the annual membership meeting.

Pearl River Valley has developed a strong membership and a level of service comparable to any utility in the nation. This annual report supports the fact that we continue to operate a financially sound cooperative under the control of its membership.

Your Board of Directors remains committed to this tradition. As President of your Association, I am proud to present this report for your consideration.