


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)	OMB No 1545-0047 <div> <div>2011</div> <div>Open to Public Inspection</div> </div>
	▶ The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011		D Employer identification number 57-0221355	
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization PALMETTO ELECTRIC COOPERATIVE INC		E Telephone number (843) 726-5551
	Doing Business As		G Gross receipts \$ 162,045,298
	Number and street (or P O box if mail is not delivered to street address) PO BOX 820	Room/suite	
	City or town, state or country, and ZIP + 4 RIDGELAND, SC 29936		
	F Name and address of principal officer		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I Tax-exempt status <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) (12) ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
J Website: ▶ WWW.PALMETTO.COOP		H(c) Group exemption number ▶	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1940	M State of legal domicile SC

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO PROVIDE DIVERSIFIED, INNOVATIVE ENERGY AND RELATED SERVICES TO OUR CUSTOMERS CONSISTENT WITH SOUND BUSINESS PRACTICES, WHILE ALWAYS ACTING IN A COMMUNITY-BUILDING LEADERSHIP ROLE		
	2 Check this box <input type="checkbox"/> 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	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	163
6 Total number of volunteers (estimate if necessary)	6		
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		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)		0
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	160,915,750	160,722,672
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	87,047	97,529
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,657,700	1,225,097
		162,660,497	162,045,298
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14 Benefits paid to or for members (Part IX, column (A), line 4)		11,355,853
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	2,056,110	2,240,534
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	155,087,281	148,448,911
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	157,143,391	162,045,298
	19 Revenue less expenses Subtract line 18 from line 12	5,517,106	0
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	233,247,311	232,277,743
	21 Total liabilities (Part X, line 26)	162,628,189	157,296,004
	22 Net assets or fund balances Subtract line 21 from line 20	70,619,122	74,981,739

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	***** Signature of officer			2012-11-09 Date	
	TANYA TRULL V PRES FINANCE & ACCOUNTING Type or print name and title				
Paid Preparer's Use Only	Preparer's signature	K EVE MCCOY	Date 2012-11-09	Check if self-employed <input checked="" type="checkbox"/>	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	K EVE MCCOY CPA LLC 1518 LADY ST COLUMBIA, SC 29201			EIN
					Phone no (803) 256-9100

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

TO PROVIDE DIVERSIFIED, INNOVATIVE ENERGY AND RELATED SERVICES TO OUR CUSTOMERS CONSISTENT WITH SOUND BUSINESS PRACTICES, WHILE ALWAYS ACTING IN A COMMUNITY-BUILDING LEADERSHIP ROLE

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 and section 4947(a)(1) trusts 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 \$ 146,203,840 including grants of \$) (Revenue \$)

TO PROVIDE THE BEST POSSIBLE ELECTRIC SERVICE TO ALL WHO DESIRE IT WITHIN THE SYSTEM SERVICE AREA AT THE LOWEST PRICE CONSISTENT WITH THE HIGHEST STANDARDS OF SERVICE

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 \$ 146,203,840

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, 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	Yes
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	No
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	No
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	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	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, XII, and XIII 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, Part I	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 U S ? If "Yes," complete Schedule F, Part 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 U S ? If "Yes," complete Schedule F, Part 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	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 hospitals? If "Yes," complete Schedule H	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
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? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</i>	25b		
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	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 owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34		No
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 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 <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	<div><div>1a</div><div>65</div></div>	
b	Enter the number of Forms W-2G included in line 1a <i>Enter -0- if not applicable</i>	<div><div>1b</div><div>0</div></div>	
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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return 	<div><div>2a</div><div>163</div></div>	
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? <i>If "No," provide an explanation in Schedule O</i>	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 or securities 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? 	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 	<div><div>7d</div><div></div></div>	
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 	<div><div>10a</div><div></div></div>	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<div><div>10b</div><div></div></div>	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders 	<div><div>11a</div><div>160,722,672</div></div>	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 	<div><div>11b</div><div>1,322,626</div></div>	
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	<div><div>12b</div><div></div></div>	
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. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state	13a	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	<div><div>13b</div><div></div></div>	
c	Enter the aggregate amount of reserves on hand	<div><div>13c</div><div></div></div>	
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? <i>If "No," provide an explanation in Schedule O</i>	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	12		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12
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	No
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	Yes
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 the 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 ▶ _____
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
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. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ TANYA TRULL VP-FINANCE & ACCTG 4063 GRAYS HWY RIDGELAND SC, SC 299360820 (843) 726-5551

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, and **current** key employees. 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(1) EUNICE FSPILLARDS	6.00	X						36,546	0	0
(2) WILLIAM J NIMMER	4.00	X						34,510	0	0
(3) C ALEX ULMER V. CHAIRMAN	7.00	X						33,782	0	0
(4) JAMES L ROWE	9.00	X						32,933	0	0
(5) DEBORAH MALPHRUS CHAIRMAN	8.00	X						31,160	0	0
(6) JAMES O FREEMAN	6.00	X						30,149	0	0
(7) JIMMIE D MCMILLAN	3.00	X						27,699	0	0
(8) JEREMIAH E VAIGNEUR SEC. /TREAS.	6.00	X						20,357	0	0
(9) HENRY DRIESSEN JR.	2.00	X						18,213	0	0
(10) CAROLYN GRANT	3.00	X						17,940	0	0
(11) TERELL SMITH	5.00	X						16,890	0	0
(12) HOWARD L RAMSEY	6.00	X						15,737	0	0
(13) DAVID A SOLARO	5.00	X						2,813	0	0
(14) G THOMAS UPSHAW PRES. & CEO	50.00			X				454,694	0	139,047
(15) A BERL DAVIS JR. VP ENG. & OPR.	50.00				X			206,041	0	94,463
(16) JAMES E BAKER VP MKTG. & PR.	50.00				X			185,821	0	86,036
(17) MARIJANE FREDERICK VP HR	40.00				X			164,943	0	79,407

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(18) MARCUS L MCDUGALL VP SECUR SYS	50 00				X			155,518	0	79,028
(19) GARY E JEGER VP INFOR SYS	50 00				X			153,457	0	78,545
(20) OMER K DUBOSE OPER MGR	47 00					X		130,921	0	57,651
(21) TANYA K TRULL V P FINANCE	50 00					X		123,093	0	66,108
(22) STEVEN C KINARD OPER SUPER	40 00					X		118,033	0	53,449
(23) DANIEL O WOOD OPER MGR	45 00					X		116,029	0	61,966
(24) ROBERT E BISHOP MGR ENGIN	45 00					X		113,255	0	60,816
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,240,534		856,516

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

16

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>		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
INFRATECH CORP PO BOX 56346 PO BOX 56346 ATLANTA, GA 30343	UTILITY CONSTR	1,170,546
FRASER CONST CO LLC PO BOX 2600 PO BOX 2600 BLUFFTON, SC 29910	CONSTRUCTION	1,092,296
ASPLUNDH TREE SERVICE PO BOX 532729 PO BOX 532729 ATLANTA, GA 30353	TREE SERVICE	518,542
AMBASSADOR PERSONNEL PO BOX 2057 PO BO X 2057 THOMASVILLE, GA 31799	SECURITY INSTAL	452,043
SUMTER UTILITIES PO BOX 846391 PO BOX 846391 DALLAS, TX 75284	UTILITY CONSTR	240,705
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		7

Part VIII

Statement of Revenue

				(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	2a	ELECTRIC SALES	Business Code 221000	160,722,672	160,722,672		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		160,722,672			
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		97,529		
4		Income from investment of tax-exempt bond proceeds . .					
5		Royalties					
6a		Gross rents	(i) Real (ii) Personal				
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)					
7a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
b		Less cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)					
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		CAPITAL CREDITS - ASSOC ORGAN	221000	1,225,097	1,225,097		
b							
c							
d		All other revenue					
e		Total. Add lines 11a-11d		1,225,097			
12	Total revenue. See Instructions		162,045,298	161,947,769		97,529	

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) but are not required to complete columns (B), (C), and (D)
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				
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	11,355,853	11,355,853		
5	Compensation of current officers, directors, trustees, and key employees	1,639,203		1,639,203	
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	601,331		601,331	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits				
10	Payroll taxes				
11	Fees for services (non-employees)				
a	Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other				
12	Advertising and promotion				
13	Office expenses				
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	6,457,198	6,457,198		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	8,528,595	8,528,595		
23	Insurance				
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	PURCHASED POWER	107,525,688	107,525,688		
b	ADMINISTRATIVE AND GENERA	13,600,924		13,600,924	
c	TAXES	4,910,595	4,910,595		
d	OPERATIONS	4,399,352	4,399,352		
e					
f	All other expenses	3,026,559	3,026,559		
25	Total functional expenses. Add lines 1 through 24f	162,045,298	146,203,840	15,841,458	0
26	Joint costs. Check here if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			12,277,508	2	16,993,322
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			27,363,607	4	16,289,814
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			1,900,534	8	1,432,270
	9	Prepaid expenses and deferred charges			730,207	9	704,698
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	249,700,952			
	b	Less: accumulated depreciation	10b	76,493,858	172,506,850	10c	173,207,094
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11			12,110,472	12	12,584,769
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			6,358,133	15	11,065,776
16	Total assets. Add lines 1 through 15 (must equal line 34)			233,247,311	16	232,277,743	
Liabilities	17	Accounts payable and accrued expenses			38,499,466	17	42,385,212
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	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			124,128,723	23	114,910,792
	24	Unsecured notes and loans payable to unrelated third parties				24	
	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				25	
	26	Total liabilities. Add lines 17 through 25			162,628,189	26	157,296,004
	Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> 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, check here <input checked="" type="checkbox"/> and complete lines 30 through 34.							
30		Capital stock or trust principal, or current funds				30	
31		Paid-in or capital surplus, or land, building or equipment fund				31	
32		Retained earnings, endowment, accumulated income, or other funds			70,619,122	32	74,981,739
33		Total net assets or fund balances			70,619,122	33	74,981,739
34	Total liabilities and net assets/fund balances			233,247,311	34	232,277,743	

Part XI Reconciliation 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	162,045,298
2	Total expenses (must equal Part IX, column (A), line 25)	2	162,045,298
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	70,619,122
5	Other changes in net assets or fund balances (explain in Schedule O)	5	4,362,617
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	74,981,739

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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O		No
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
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?		No
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		

Additional Data

Software ID:

Software Version:

EIN: 57-0221355

Name: PALMETTO ELECTRIC COOPERATIVE INC

Form 990, Special Condition Description:

Special Condition Description

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, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PALMETTO ELECTRIC COOPERATIVE INC

Employer identification number
57-0221355

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? <div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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 <div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div>	

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 pleasure)☐ Preservation of an historically importantly land area
☐ Protection of natural habitat☐ Preservation of a certified historic structure
☐ Preservation of open space

2

Complete lines 2a–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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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 170(h)(4)(B)(ii)?

☐ Yes ☒ No

9

In Part XIV, 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, 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 XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, 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 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

Part III

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

3

Using the organization's 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 XIV

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 XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
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 XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or 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 year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

(ii)

related organizations

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		No
3a(ii)		No
3b		No

4

Describe in Part XIV 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				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other	249,700,952		76,493,858	173,207,094
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				173,207,094

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1162,045,298
2	Total expenses (Form 990, Part IX, column (A), line 25)	2162,045,298
3	Excess or (deficit) for the year Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	85,165,759
9	Total adjustments (net) Add lines 4 - 8	95,165,759
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	105,165,759

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1155,855,204
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3155,855,204
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 7b4a	
b	Other (Describe in Part XIV)4b6,190,094	
c	Add lines 4a and 4b	4c6,190,094
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5162,045,298

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1150,689,445
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3150,689,445
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 7b4a	
b	Other (Describe in Part XIV)4b11,355,853	
c	Add lines 4a and 4b	4c11,355,853
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5162,045,298

Part XIVSupplemental 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	THE COOPERATIVE FILES FORM 990 "RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX" ANNUALLY THIS RETURN IS SUBJECT TO EXAMINATION BY FEDERAL TAXING AUTHORITIES THE COOPERATIVE IS NO LONGER SUBJECT TO EXAMINATION BY FEDERAL TAX AUTHORITIES FOR YEARS PRIOR TO 2008 ALTHOUGH THE OUTCOME OF FEDERAL TAX AUDITS IS ALWAYS UNCERTAIN, THE COOPERATIVE BELIEVES THERE ARE NO SIGNIFICANT UNRECORDED TAX LIABILITIES AT DECEMBER 31, 2011 OR 2010
RECONCILIATION OF CHANGES - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 8	THE COOPERATIVE HAS A MARGIN STABILITION PLAN IN WHICH 0 ACTUAL MARGINS ABOVE OR BELOW THE ESTABLISHED T I E R 0 (TIMES INTEREST EARNED RATIO) ARE DEFERRED AND RECORDED 0 AS A DEFERRED DEBIT OR CREDIT FOR FINANCIAL REPORTING 0 FOR TAX RETURN REPORTING OF REVENUES, AS WELL AS FOR 0 PATRONAGE CAPITAL CREDITS ALLOCATIONS, THE PLAN IS 0 DISREGARDED 0 ADJUST FINANCIAL REPORTING FOR THE CHANGE IN THE REVENUE 0 RECOVERED AND THE CURRENT YEAR T I E R ADJUSTMENT 2,144,999 0 THE COOPERATIVE RECOGNIZES UNBILLED REVENUE FOR FINANCIAL 0 REPORTING FOR TAX RETURN REPORTING OF PATRONAGE CAPITAL 0 CREDIT ALLOCATIONS, AS WELL AS FOR REPORTING OF REVENUES, 0 UNBILLED REVENUE IS DISREGARDED 0 ADJUST FINANCIAL REPORTING FOR THE CHANGE IN UNBILLED 0 REVENUE FROM 2010 TO 2011 -8,335,093 AMOUNT REPORTED ON FORM 990, PART IX, LINE 4 AS BENEFITS 0 PAID TO OR FOR MEMBERS IS NOT REPORTED AS AN EXPENSE IN 0 THE FINANCIAL STATEMENTS GENERALLY ACCEPTED ACCOUNTING 0 PRINCIPLES (GAAP) DOES NOT RECOGNIZE PATRONAGE DIVIDENDS 0 PAID AS AN EXPENSE 11,355,853
REVENUE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 4B	THE COOPERATIVE HAS A MARGIN STABILITION PLAN IN WHICH 0 ACTUAL MARGINS ABOVE OR BELOW THE ESTABLISHED T I E R 0 (TIMES INTEREST EARNED RATIO) ARE DEFERRED AND RECORDED 0 AS A DEFERRED DEBIT OR CREDIT FOR FINANCIAL REPORTING 0 FOR TAX RETURN REPORTING OF REVENUES, AS WELL AS FOR 0 PATRONAGE CAPITAL CREDITS ALLOCATIONS, THE PLAN IS 0 DISREGARDED 0 ADJUST FINANCIAL REPORTING FOR THE CHANGE IN THE REVENUE 0 RECOVERED AND THE CURRENT YEAR T I E R ADJUSTMENT -2,144,999 0 THE COOPERATIVE RECOGNIZES UNBILLED REVENUE FOR FINANCIAL 0 REPORTING FOR TAX RETURN REPORTING OF PATRONAGE CAPITAL 0 CREDIT ALLOCATIONS, AS WELL AS FOR REPORTING OF REVENUES, 0 UNBILLED REVENUE IS DISREGARDED 0 ADJUST FINANCIAL REPORTING FOR THE CHANGE IN UNBILLED 0 REVENUE FROM 2010 TO 2011 8,335,093
EXPENSE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XIII, LINE 4B	AMOUNT REPORTED ON FORM 990, PART IX, LINE 4 AS BENEFITS 0 PAID TO OR FOR MEMBERS IS NOT REPORTED AS AN EXPENSE IN 0 THE FINANCIAL STATEMENTS GENERALLY ACCEPTED ACCOUNTING 0 PRINCIPLES (GAAP) DOES NOT RECOGNIZE PATRONAGE DIVIDENDS 0 PAID AS AN EXPENSE 11,355,853

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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.

Name of the organization PALMETTO ELECTRIC COOPERATIVE INC	Employer identification number 57-0221355
---	--

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate 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		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax idemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)		
1b 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 the expenses described above? If "No," complete Part III to explain		
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?		
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
<input type="checkbox"/> Compensation committee		
<input type="checkbox"/> Independent compensation consultant		
<input type="checkbox"/> Form 990 of other organizations		
<input type="checkbox"/> Written employment contract		
<input type="checkbox"/> Compensation survey or study		
<input type="checkbox"/> 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		
4a Receive a severance payment or change-of-control payment?		No
4b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
4c Participate in, or receive payment from, an equity-based compensation arrangement?		No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
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		
5a The organization?		
5b Any related organization?		
If "Yes," to line 5a or 5b, describe in Part III		
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		
6a The organization?		
6b Any related organization?		
If "Yes," to line 6a or 6b, describe in Part III		
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		
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space 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, columns (D) and (E) for that individual.

(A) Name		(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 in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) G THOMAS UPSHAW	(i) (ii)	441,887		12,807	118,164	20,883	593,741	
(2) A BERL DAVIS JR	(i) (ii)	204,122		1,919	73,580	20,883	300,504	
(3) JAMES E BAKER	(i) (ii)	183,049		2,772	65,153	20,883	271,857	
(4) MARIJANE FREDERICK	(i) (ii)	162,473		2,470	58,524	20,883	244,350	
(5) MARCUS L MCDOUGALL	(i) (ii)	153,911		1,607	58,145	20,883	234,546	
(6) GARY E JEGER	(i) (ii)	151,828		1,629	57,662	20,883	232,002	
(7) OMER K DUBOSE	(i) (ii)	129,654		1,267	36,768	20,883	188,572	
(8) TANYA K TRULL	(i) (ii)	122,174		919	45,225	20,883	189,201	
(9) STEVEN C KINARD	(i) (ii)	117,412		621	32,566	20,883	171,482	
(10) DANIEL O WOOD	(i) (ii)	113,958		2,071	41,083	20,883	177,995	
(11) ROBERT E BISHOP	(i) (ii)	110,445		2,810	39,933	20,883	174,071	

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	G THOMAS UPSHAW 0 110,890 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

2011

**Open to Public
Inspection**

Name of the organization PALMETTO ELECTRIC COOPERATIVE INC	Employer identification number 57-0221355
---	--

Identifier	Return Reference	Explanation
ADDITIONAL INFORMATION	FORM 990	BEGINNING WITH THE 2011 FORM 990 RETURN, THE COOPERATIVE HAS CHANGED ITS TAX REPORTING OF PATRONAGE DIVIDENDS PAID TO MEMBERS TO COMPLY WITH THE 2011 FORM 990 INSTRUCTIONS TO REPORT PATRONAGE DIVIDENDS PAID TO MEMBERS ON FORM 990, PART IX, LINE 4 AS BENEFITS PAID TO OR FOR MEMBERS PRIOR TO 2011, THE PATRONAGE DIVIDENDS WERE NOT REPORTED AS EXPENSES IN ACCORDANCE WITH ITS BYLAWS, THE COOPERATIVE IS OBLIGATED TO PAY BY CREDITS TO A CAPITAL ACCOUNT FOR EACH PATRON ALL SUCH AMOUNTS IN EXCESS OF OPERATING COSTS AND EXPENSES ALL SUCH AMOUNTS CREDITED TO THE CAPITAL ACCOUNT OF ANY PATRON SHALL HAVE THE SAME STATUS AS THOUGH THEY HAD BEEN PAID TO THE PATRON PURSUANT TO THE BYLAWS, THE COOPERATIVE HAS INTERPRETED PATRONAGE DIVIDENDS PAID TO ITS MEMBERS REPORTED ON FORM 990, PART IX, LINE 4 TO BE CAPITAL CREDITS ALLOCATED FOR 2011

Identifier	Return Reference	Explanation
CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PAGE 6, PART VI, LINE 6	THE ORGANIZATION IS ORGANIZED AND OPERATED AS A COOPERATIVE. IS IS COMPRISED OF MEMBERS WHO OWN AND MANAGE THE CORPORATION. THE MEMBER IS DEFINED AS A "PERSON" (AN INDIVIDUAL, CORPORATION, OR COOPERATIVE) ENTITLED TO PARTICIPATE IN THE COOPERATIVE'S MANAGEMENT. A PERSON MAY BECOME A MEMBER OF THE COOPERATIVE BY: A APPLYING FOR MEMBERSHIP THEREIN UPON SUCH TERMS AS MAY BE ESTABLISHED BY THE BOARD OF DIRECTORS, B AGREEING TO PURCHASE ELECTRIC ENERGY FROM THE COOPERATIVE, C AGREEING TO COMPLY WITH AND BE BOUND BY THE ARTICLES OF INCORPORATION AND BY LAWS OF THE COOPERATIVE AND ANY RULES AND REGULATIONS ADOPTED BY THE BOARD OF DIRECTORS, D PAYING THE MEMBERSHIP FEE.

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	EACH MEMBER HAS ONE VOTE. DIRECTORS ARE ELECTED BY THE MEMBERS

Identifier	Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL OF MEMBERS	FORM 990, PAGE 6, PART VI, LINE 7B	EACH MEMBER OF THE COOPERATIVE SHALL BE ENTITLED TO ONE (1) VOTE AND NO MORE UPON EACH MATTER SUBMITTED TO A VOTE AT ALL MEETINGS OF THE MEMBERS OF THE COOPERATIVE. A MEMBER HAS THE RIGHT TO HELP ELECT THE BOARD OF DIRECTORS AND PARTICIPATE IN THE COOPERATIVE'S BUSINESS. DIRECTORS SHALL SERVE TERMS OF THREE (3) YEARS EACH AND SHALL BE ELECTED AT EACH ANNUAL MEETING OF THE MEMBERS AND EACH SHALL SERVE UNTIL A SUCCESSOR HAS BEEN ELECTED. REMOVAL - ANY MEMBER MAY BRING CHARGES AGAINST A DIRECTOR BY FILING SUCH CHARGES IN WRITING WITH THE SECRETARY, TOGETHER WITH A PETITION SIGNED BY AT LEAST TEN PER CENTUM OF THE MEMBERS AND REQUEST THE REMOVAL OF SUCH DIRECTOR BY REASON THEREOF. DISSOLUTION AND/OR SALE OF ASSETS - SALE OF THE COOPERATIVE'S PROPERTY AND ASSETS SHALL BE AUTHORIZED IN THE FOLLOWING MANNER: 1) THE BOARD OF DIRECTORS SHALL ADOPT A RESOLUTION RECOMMENDING SUCH SALE, AND DIRECTING THE RESOLUTION TO A VOTE AT A MEETING OF THE MEMBERS; 2) WRITTEN OR PRINTED NOTICE WILL BE PROVIDED TO THE MEMBERS; 3) THE VOTING MEMBERS MAY AUTHORIZE THE SALE AND SUCH AUTHORIZATION SHALL REQUIRE THE AFFIRMATIVE VOTE OF AT LEAST 2/3 OF ALL THE MEMBERS OF THE COOPERATIVE.

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	A DRAFT COPY OF THE FORM 990 IS MADE AVAILABLE TO THE BOARD OF DIRECTORS AT THE REGULAR BOARD MEETING PRIOR TO THE DUE DATE OF THE RETURN BEING FILED FOR THEIR REVIEW

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	EACH YEAR THE BOARD OF TRUSTEES SHALL REVIEW WHETHER ANY CURRENT OR FORMER OFFICER, TRUSTEE OR KEY EMPLOYEE 1 HAS A DIRECT BUSINESS RELATIONSHIP WITH THE COOPERATIVE OR AN INDIRECT BUSINESS RELATIONSHIP WITH THE COOPERATIVE REQUIRING DISCLOSURE ON SCH L OF THE FORM 990 2 HAS A FAMILY MEMBER WHO HAD A DIRECT OR INDIRECT BUSINESS RELATIONSHIP WITH THE COOPERATIVE REQUIRING DISCLOSURE ON SCH L OF THE FORM 990, OR 3 SERVES AS AN OFFICER, TRUSTEE, DIRECTOR, KEY EMPLOYEE, PARTNER OR MEMBER OF AN ENTITY (OR SHAREHOLDER OF A PROFESSIONAL CORPORATION) DOING BUSINESS WITH THE COOPERATIVE, SUCH THAT DISCLOSURE IS REQUIRED ON SCH L OF THE FORM 990

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	EXECUTIVE COMPENSATION IS REVIEWED, RECOMMENDED, AND APPROVED BY THE PRESIDENTIAL APPRAISAL COMMITTEE

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	KEY EMPLOYEES COMPENSATION IS REVIEWED BY AN INDEPENDENT COMPENSATION CONSULTANT AND APPROVED BY THE CEO

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	GOVERNING DOCUMENTS ARE MADE AVAILABLE TO MEMBERS UPON REQUEST AT EACH OFFICE AND THE COOPERATIVE'S WEBSITE WWW.PALMETTO.COOP. CONFLICT OF INTEREST POLICY IS AVAILABLE UPON REQUEST AT EACH OFFICE. ANNUAL REPORTS ARE MAILED TO THE MEMBERS EACH YEAR AND ADDITIONAL COPIES ARE AVAILABLE AT EACH OFFICE AND ON THE COOPERATIVE'S WEBSITE.

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 5	INCREASE IN MEMBERSHIPS 3,840 INCREASE IN OTHER EQUITIES 58,800 PATRONAGE CAPITAL RETIRED (865,782) NET CHANGE PER BOOKS (803,142) ADJUST FOR 2011 PATRONAGE CAPITAL REPORTED AS EXPENSE ON FORM 990, BUT REPORTED AS INCREASE IN EQUITY PER AUDITED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GAAP - SEE SCHEDULE D 11,355,853 ADJUST FOR CHANGE IN UNBILLED REVENUE DISREGARDED FOR TAX REPORTING -SEE SCHEDULE D (8,335,093) ADJUST FOR MARGIN STABILIZATION PLAN DISREGARDED FOR TAX REPORTING - SEE SCHEDULE D 2,144,999 NET CHANGE PER TAX RETURN 4,362,617