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SEABOARD CORP /DE/  
Form 8-K  
August 12, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K  
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) August 12, 2009

Seaboard Corporation  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-3390 (Commission File Number)	04-2260388 (I.R.S. Employer Identification No.)
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9000 W. 67th Street, Shawnee Mission, Kansas (Address of principal executive offices)	66202 (Zip Code)
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Registrant's telephone number, including area code (913) 676-8800

Not Applicable  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

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On August 12, 2009, Registrant issued a press release announcing earnings for the quarter ended July 4, 2009. The full text of this press release is included as exhibit 99.1 to this Current Report on Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to Item 2.02, and the related press release included as exhibit 99.1 to this Current Report, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The information furnished pursuant to Item 2.02, and such exhibit, shall not be deemed an admission as to the materiality of any information in this report on Form 8-K that is required to be disclosed solely to satisfy the requirements of Regulation FD.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

Registrant hereby furnishes the following exhibit pursuant to Item 2.02:

99.1 Press release of Seaboard Corporation dated August 12, 2009 announcing earnings for the quarter ended July 4, 2009.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATE: August 12, 2009

Seaboard Corporation

by: /s/ Robert L. Steer  
Robert L. Steer, Senior Vice President,  
Chief Financial Officer

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IZE="2"> captured from the Kemper IGCC.

On June 7, 2011, consistent with the treatment of non-capital costs incurred during the pre-construction period, the Mississippi PSC granted the Company the authority to defer all non-capital Kemper IGCC-related costs to a regulatory asset during the construction period. This includes deferred costs associated with the generation resource planning, evaluation, and screening activities for the Kemper IGCC. The amortization period for the regulatory asset will be determined by the Mississippi PSC at a later date. In addition, the Company is authorized to accrue carrying costs on the unamortized balance of such regulatory assets at a rate and in a manner to be determined by the Mississippi PSC in future cost recovery mechanism proceedings.

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On September 9, 2011, the Company filed a request for confirmation of the Kemper IGCC's CPCN with the Mississippi PSC authorizing the acquisition, construction, and operation of approximately 61 miles of CO<sub>2</sub> pipeline infrastructure at an estimated capital cost of \$141 million. On January 11, 2012, the Mississippi PSC affirmed the confirmation of the Kemper IGCC's CPCN for the acquisition, construction, and operation of the CO<sub>2</sub> pipeline.

As of December 31, 2011, the Company had spent a total of \$943.3 million on the Kemper IGCC, including regulatory filing costs. Of this total, \$917.8 million was included in CWIP (which is net of \$245.3 million of CCPI2 grant funds), \$21.4 million was recorded in other regulatory assets, \$3.1 million was recorded in other deferred charges and assets, and \$1.0 million was previously expensed.

See PSC Matters – Certificated New Plant herein for information on the proposed rate schedules related to the Kemper IGCC.

The ultimate outcome of these matters cannot be determined at this time.

### Other Matters

In 2008, the Company received notice of termination from SMEPA of an approximately 100 MW territorial wholesale market-based contract effective March 31, 2011 which resulted in a decrease in annual base revenues of approximately \$12 million. Later in 2008, the Company entered into a 10-year power supply agreement with SMEPA for approximately 152 MWs. This contract was effective April 1, 2011. This contract increased the Company's annual wholesale base revenues by approximately \$16.1 million. In September 2010, SMEPA executed a 10-year Network Integration Transmission Service Agreement with Southern Company. Service began on April 1, 2011. The estimated Open Access Transmission Tariff revenue over the life of the contract is approximately \$39.3 million with the Company's share being \$29.3 million.

The Company is involved in various other matters being litigated and regulatory matters that could affect future earnings. In addition, the Company is subject to certain claims and legal actions arising in the ordinary course of business. The Company's business activities are subject to extensive governmental regulation related to public health and the environment, such as regulation of air emissions and water discharges. Litigation over environmental issues and claims of various types, including property damage, personal injury, common law nuisance, and citizen enforcement of environmental requirements such as air quality and water standards, has increased generally throughout the U.S. In particular, personal injury and other claims for damages caused by alleged exposure to hazardous materials, and common law nuisance claims for injunctive relief and property damage allegedly caused by greenhouse gas and other emissions, have become more frequent. The ultimate outcome of such pending or potential litigation against the Company cannot be predicted at this time; however, for current proceedings not specifically reported herein or in Note 3 to the financial statements, management does not anticipate that the ultimate liabilities, if any, arising from such current proceedings would have a material effect on the Company's financial statements. See Note 3 to the financial statements for a discussion of various other contingencies, regulatory matters, and other matters being litigated which may affect future earnings potential.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Mississippi Power Company 2011 Annual Report**

**ACCOUNTING POLICIES**

**Application of Critical Accounting Policies and Estimates**

The Company prepares its financial statements in accordance with generally accepted accounting principles (GAAP). Significant accounting policies are described in Note 1 to the financial statements. In the application of these policies, certain estimates are made that may have a material impact on the Company's results of operations and related disclosures. Different assumptions and measurements could produce estimates that are significantly different from those recorded in the financial statements. Senior management has reviewed and discussed the following critical accounting policies and estimates with the Audit Committee of Southern Company's Board of Directors.

***Electric Utility Regulation***

The Company is subject to retail regulation by the Mississippi PSC and wholesale regulation by the FERC. These regulatory agencies set the rates the Company is permitted to charge customers based on allowable costs. As a result, the Company applies accounting standards which require the financial statements to reflect the effects of rate regulation. Through the ratemaking process, the regulators may require the inclusion of costs or revenues in periods different than when they would be recognized by a non-regulated company. This treatment may result in the deferral of expenses and the recording of related regulatory assets based on anticipated future recovery through rates or the deferral of gains or creation of liabilities and the recording of related regulatory liabilities. The application of the accounting standards has a further effect on the Company's financial statements as a result of the estimates of allowable costs used in the ratemaking process. These estimates may differ from those actually incurred by the Company; therefore, the accounting estimates inherent in specific costs such as depreciation and pension and postretirement benefits have less of a direct impact on the Company's results of operations and financial condition than they would on a non-regulated company.

As reflected in Note 1 to the financial statements, significant regulatory assets and liabilities have been recorded. Management reviews the ultimate recoverability of these regulatory assets and liabilities based on applicable regulatory guidelines and GAAP. However, adverse legislative, judicial, or regulatory actions could materially impact the amounts of such regulatory assets and liabilities and could adversely impact the Company's financial statements.

***Contingent Obligations***

The Company is subject to a number of federal and state laws and regulations, as well as other factors and conditions that subject it to environmental, litigation, income tax, and other risks. See FUTURE EARNINGS POTENTIAL herein and Note 3 to the financial statements for more information regarding certain of these contingencies. The Company periodically evaluates its exposure to such risks and, in accordance with GAAP, records reserves for those matters where a non-tax-related loss is considered probable and reasonably estimable and records a tax asset or liability if it is more likely than not that a tax position will be sustained. The adequacy of reserves can be significantly affected by external events or conditions that can be unpredictable; thus, the ultimate outcome of such matters could materially affect the Company's financial statements.

***Unbilled Revenues***

Revenues related to the retail sale of electricity are recorded when electricity is delivered to customers. However, the determination of KWH sales to individual customers is based on the reading of their meters, which is performed on a systematic basis throughout the month. At the end of each month, amounts of electricity delivered to customers, but not yet metered and billed, are estimated. Components of the unbilled revenue estimates include total KWH territorial supply, total KWH billed, estimated total electricity lost in delivery, and customer usage. These components can fluctuate as a result of a number of factors including weather, generation patterns, power delivery volume, and other operational constraints. These factors can be unpredictable and can vary from historical trends. As a result, the overall estimate of unbilled revenues could be significantly affected, which could have a material impact on the Company's results of operations.

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***Pension and Other Postretirement Benefits***

The Company's calculation of pension and other postretirement benefits expense is dependent on a number of assumptions. These assumptions include discount rates, healthcare cost trend rates, expected long-term return on plan assets, mortality rates, expected salary and wage increases, and other factors. Components of pension and other postretirement benefits expense include interest and service cost on the pension and other postretirement benefit plans, expected return on plan assets, and amortization of certain unrecognized costs and obligations. Actual results that differ from the assumptions utilized are accumulated and amortized over future periods and, therefore, generally affect recognized expense and the recorded obligation in future periods. While the Company believes that the assumptions used are appropriate, differences in actual experience or significant changes in assumptions would affect its pension and other postretirement benefits costs and obligations.

Key elements in determining the Company's pension and other postretirement benefit expense in accordance with GAAP are the expected long-term return on plan assets and the discount rate used to measure the benefit plan obligations and the periodic benefit plan expense for future periods. The expected long-term return on postretirement benefit plan assets is based on the Company's investment strategy, historical experience, and expectations for long-term rates of return that consider external actuarial advice. The Company determines the long-term return on plan assets by applying the long-term rate of expected returns on various asset classes to the Company's target asset allocation. The Company discounts the future cash flows related to its postretirement benefit plans using a single-point discount rate developed from the weighted average of market-observed yields for high quality fixed income securities with maturities that correspond to expected benefit payments.

A 25 basis point change in any significant assumption (discount rate, salaries, or long-term return on plan assets) would result in a \$1.3 million or less change in total benefit expense and a \$16.3 million or less change in projected obligations.

**FINANCIAL CONDITION AND LIQUIDITY**

**Overview**

The Company's financial condition remained stable at December 31, 2011. The Company's cash requirements primarily consist of funding ongoing operations, common stock dividends, capital expenditures, and debt maturities. Capital expenditures and other investing activities include investments to meet projected long-term demand requirements, to comply with environmental regulations, and for restoration following major storms. Operating cash flows provide a substantial portion of the Company's cash needs. For the three-year period from 2012 through 2014, the Company's projected common stock dividends, capital expenditures, and debt maturities are expected to exceed operating cash flows. Projected capital expenditures in that period include investments to build new generation, to add environmental equipment for existing generating units, and to expand and improve transmission and distribution facilities. The Company plans to finance future cash needs in excess of its operating cash flows primarily through debt and equity issuances. The Company intends to continue to monitor its access to short-term and long-term capital markets as well as its bank credit arrangements to meet future capital and liquidity needs. See Sources of Capital, Financing Activities, and Capital Requirements and Contractual Obligations herein for additional information.

The Company's investments in the qualified pension plan remained stable in value as of December 31, 2011. No contributions to the qualified pension plan were made for the year ended December 31, 2011. No mandatory contributions to the qualified pension plan are anticipated for the year ending December 31, 2012.

Net cash provided from operating activities totaled \$231.5 million in 2011 compared to \$132.7 million in 2010. The \$98.8 million increase in net cash provided from operating activities was primarily due to a \$50.6 million decrease in the use of funds related to the Kemper IGCC generation construction screening costs incurred during the first five months of 2010. The Mississippi PSC issued an order in June 2010 approving the Kemper IGCC. Pension, postretirement, and other employee benefits increased by \$38.1 million primarily due to a cash payment made in 2010 to fund the qualified pension plan, other accounts payable increased by \$36.8 million, and deferred income taxes increased by \$34.2 million primarily related to a long-term service agreement (LTSA), bonus depreciation, and fuel cost recovery. Prepaid income taxes increased \$30.0 million primarily due to tax refunds related to 2010 investment tax credits received in 2011. These increases in cash provided from operating activities were partially offset by a \$45.0 million decrease in over recovered regulatory clause revenues related to lower fuel rates in 2011 and

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2010 and a decrease in fossil fuel stock of \$42.9 million primarily due to increases in coal and coal in transit. Net cash provided from operating activities totaled \$132.7 million in 2010 compared to \$170.6 million for 2009. The \$38.0 million decrease in net cash provided from operating activities was primarily due to a \$42.9 million cash payment to fund the qualified pension plan, an increase in spending related to the Kemper IGCC generation construction screening costs of \$19.9 million, and a decrease in cash received related to lower fuel rates effective in the first quarter 2010. These decreases in cash were partially offset by an increase in deferred income taxes of \$77.4 million primarily related to a LTSA, bonus depreciation, and an increase in investment tax credits of \$22.2 million related to the Kemper IGCC.

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Net cash used for investing activities totaled \$682.7 million for 2011 compared to \$254.4 million for 2010. The \$428.3 million increase was primarily due to an increase in property additions of \$717.2 million primarily related to the Kemper IGCC and an increase in plant acquisition of \$84.8 million due to the cash payment associated with the purchase of Plant Daniel Units 3 and 4. These increases in cash used for investing activities were partially offset by a construction payable increase of \$63.3 million, a \$100.0 million change in restricted cash associated with the second series revenue bonds issued in December 2010, and an increase of \$208.8 million in capital grant proceeds received primarily related to CCPI2 and Smart Grid Investment grants. Net cash used for investing activities totaled \$254.4 million for 2010 compared to \$119.4 million for 2009. The \$135.0 million increase was primarily due to an increase in property additions of \$145.0 million primarily related to the Kemper IGCC and an increase in investment in restricted cash of \$50.0 million, partially offset by capital grant proceeds of \$23.7 million related to CCPI2 and the Smart Grid Investment grant and \$33.8 million in construction payables. See FUTURE EARNINGS POTENTIAL Integrated Coal Gasification Combined Cycle herein for additional information.

Net cash provided from financing activities totaled \$502.0 million in 2011 compared to \$217.5 million in 2010. The \$284.5 million increase in net cash provided from financing activities was primarily due to a \$234.1 million increase in capital contributions from Southern Company, a \$190.0 million increase in long-term debt, and a \$130 million redemption of long-term debt. Net cash provided from financing activities totaled \$217.5 million in 2010 compared to net cash used for financing activities of \$8.6 million in 2009. The \$226.1 million increase was primarily due to a \$100.0 million increase in long-term debt at December 31, 2010, a \$60.6 million increase in capital contributions from Southern Company, and a \$40.0 million redemption of long-term debt in the third quarter 2009.

Significant changes in the balance sheet as of December 31, 2011 compared to 2010 include an increase in total property, plant, and equipment of \$1.1 billion primarily due to the increase in construction work in progress related to the Kemper IGCC and an increase in plant in service related to the purchase of Plant Daniel Units 3 and 4. Other accounts payable increased \$109.0 million primarily due to increases in construction projects. Long-term debt increased \$641.6 million primarily due to the assumption of \$270.0 million taxable revenue bonds in October 2011 and the issuance of \$300.0 million of senior notes in October 2011. Accumulated deferred investment tax credits increased \$76.1 million primarily related to the Kemper IGCC. Common stockholder's equity increased \$311.8 million primarily due to the increase in paid-in capital due to \$300.0 million in capital contributions from Southern Company in 2011.

The Company's ratio of common equity to total capitalization, excluding long-term debt due within one year, decreased from 59.8% in 2010 to 48.0% at December 31, 2011.

**Sources of Capital**

Except as described below with respect to potential DOE loan guarantees, the Company plans to obtain the funds required for construction and other purposes from sources similar to those used in the past, which were primarily from operating cash flows, security issuances, term loans, short-term borrowings, and equity contributions from Southern Company. In 2011, the Company received \$300 million in capital contributions from Southern Company. See Capital Requirements and Contractual Obligations herein and Note 3 to the financial statements under Integrated Coal Gasification Combined Cycle for additional information. The amount, type, and timing of any future financings, if needed, will depend upon regulatory approval, prevailing market conditions, and other factors.

The Company has applied to the DOE for federal loan guarantees to finance a portion of the eligible construction costs of the Kemper IGCC. The Company is in advanced due diligence with the DOE. There can be no assurance that the DOE will issue federal loan guarantees to the Company. Through December 31, 2011, the Company has received \$245.3 million in DOE CCPI2 grant funds that were used for the construction of the Kemper IGCC. An additional \$25 million in CCPI2 grant funds is expected to be received for the initial operation of the Kemper IGCC.

Investment tax credits related to the Kemper IGCC of \$77.4 million are not expected to be utilized until after 2012, which could result in additional financing needs. See Note 3 to the financial statements under Integrated Coal Gasification Combined Cycle for additional information.



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The issuance of securities by the Company is subject to regulatory approval by the FERC. Additionally, with respect to the public offering of securities, the Company files registration statements with the Securities and Exchange Commission (SEC) under the Securities Act of 1933, as amended (1933 Act). The amounts of securities authorized by the FERC, as well as the amounts registered under the 1933 Act, are continuously monitored and appropriate filings are made to ensure flexibility in the capital markets.

The Company obtains financing separately without credit support from any affiliate. See Note 6 to the financial statements under **Bank Credit Arrangements** for additional information. The Southern Company system does not maintain a centralized cash or money pool. Therefore, funds of the Company are not commingled with funds of any other company.

At December 31, 2011, the Company had approximately \$211.6 million of cash and cash equivalents. Committed credit arrangements with banks at December 31, 2011 were as follows:

<b>Expires<sup>(a)</sup></b>		<b>Total</b>	<b>Unused</b>	<b>Executable Term-Loans</b>	
<b>2012</b>	<b>2014</b>			<b>One Year</b>	<b>Two Years</b>
<i>(in millions)</i>					
\$131	\$165	\$296	\$296	\$25	\$41

**(a) No credit arrangements expire in 2013, 2015, or 2016.**

See Note 6 to the financial statements under **Bank Credit Arrangements** for additional information.

Most of these arrangements contain covenants that limit debt levels and typically contain cross-default provisions that would trigger an event of default if the Company defaulted on other indebtedness above a specified threshold. The Company is currently in compliance with all such covenants.

These credit arrangements provide liquidity support to the Company's variable rate tax-exempt pollution control revenue bonds and commercial paper borrowings. At December 31, 2011, the Company had \$40.1 million of outstanding pollution control revenue bonds requiring liquidity support.

The Company may also meet short-term cash needs through a Southern Company subsidiary organized to issue and sell commercial paper at the request and for the benefit of the Company and the other traditional operating companies. Proceeds from such issuances for the benefit of the Company are loaned directly to the Company. The obligations of each company under these arrangements are several and there is no cross affiliate credit support.

Details of short-term borrowings were as follows:

**Short-term Debt at the  
End of the Period****Short-term Debt During the Period <sup>(a)</sup>**

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	<b>Amount Outstanding</b>	<b>Weighted Average Interest Rate</b>	<b>Average Outstanding</b>	<b>Weighted Average Interest Rate</b>	<b>Maximum Amount Outstanding</b>
	<i>(in millions)</i>		<i>(in millions)</i>		<i>(in millions)</i>
<b>December 31, 2011:</b>					
Commercial paper	\$	%	\$ 7	0.21%	\$70
<b>December 31, 2010:</b>					
Commercial paper	\$	%	\$12		