



Rio Grande Electric Cooperative, Inc.

# Update



Happy Valentine's Day

February 2010



## A Message From The General Manager/CEO

By Dan Laws

*“...the single biggest event that will affect the size of your electric bill is the weather.”*

With the recent cold snap, electric bills will be soaring. In Kinney County, we saw temperatures reach lows not seen for more than twenty years. For members of Rio Grande Electric Cooperative, the single biggest event that will affect the size of your electric bill is the weather. Extremely cold nights or hot days do more to raise your electric bill than anything else. I don't want to mislead you; there are brief anomalies from time-to-time in the market place that drive up the cost of wholesale power. And, those anomalies will impact your bill, but consistently, year-in and year-out, weather is the biggest driving factor.

So, why am I overstating the obvious? Because it's good news for you. It means you have more control over what you pay each month than you think. You can raise the temperature at which you keep your home in the summer and you can lower the temperature in the winter. You can shut off water heaters that may not be used or not heat the water to as high a temperature. Of course, you invest in energy efficient appliances. If you are a rancher or a farmer, you control stock water or irrigation pumping with timers or other smart controls to minimize unnecessary usage.

Ironically, extreme weather often times coincides with the arrival of family and friends. Most of us love to have company and entertain... especially when it's our grandchildren. I am sure you would agree the time of year we most often have company is during holidays or summer, because children are out of school. Our kin folk don't mean to be a burden, but despite their good intentions, there are additional costs. You spend more for food. You spend more for gas in the family vehicle. Most certainly, you will spend more for entertainment. All of these costs are experienced immediately before the visit, during the visit, or immediately after the visit. Since these expenses occur close in time to the visit, it is easy to make the connection.

Not so with your electric bill, however. Company will definitely impact your electric bill, but because of the way billing cycles come about, it can be some time after the visit before you realize the impact your company had on energy costs. With other expenses, you immediately know and can mitigate costs. Since you consume electric energy before you know what it costs, managing your exposure is more difficult.

For these reasons, I encourage you to always assume a worst case scenario, so that you won't have as big a surprise when you see your electric bill. Conserve where possible, and in so doing, you not only reduce your expense, you also reduce the Cooperative's expenses. With company it is more difficult to conserve. No one wants their guests to be uncomfortable, so during visits we are going to use more. If you had company over the Christmas Holidays, you will not see the impact on your electric bill until the February billing cycle. So, when you look at your electric bill, remember to think back to your activities over the last thirty days. When you do so, remember to think about what the weather was doing.

Here at Rio Grande we have only one interest and that is meeting your electric energy needs. Some day, we may be able to let you know in advance what your energy is going to cost so you can plan. In the meantime, please know that you have a dedicated staff and board of directors working collectively to keep your energy costs as low as possible and as reliable as possible.

**Important: Critical Care Member Form, page 6**