



Rio Grande Electric Cooperative, Inc.

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A Message From The General Manager/CEO

By Daniel G. Laws

Celebrating 61 Years

Sixty-one years of bringing safe, reliable, low cost energy to one of the most remote service areas in the nation is quite a milestone. This month, Rio Grande Electric Cooperative celebrates its 61st birthday. What an incredibly rich history this cooperative enjoys. Most notable among its accomplishments, is having brought central station electric service to the nation's last incorporated city to receive such service. I am, of course, speaking of Dell City, host of this year's Annual Meeting.

October is National Cooperative Month. It is a time set aside to recognize the value of consumer-owned corporations. The cooperative business model has been an effective means of bringing needed goods to consumers with limited or no other choices. In fact, it has been effective for more than 150 years. But, what is so unique about this business model that it merits its own month for recognition? It's the notion that consumers with a need band together and fill that need by organizing their own business. Even more interesting, is the fact that the business operates with no need of profit, because there are no traditional investors—only consumers.

It is through the needs of consumers that Rio Grande Electric Cooperative became a reality. A group in the Brackettville area got together to bring electric energy to rural ranches and farms. Shortly thereafter, a group in the Marfa area formed Big Bend Electric Cooperative for the same purpose. At the recommendation of REA, Big Bend Electric Cooperative was folded into Rio Grande to form, what has become physically, the largest electric cooperative in the contiguous United States. Consumers with needs providing their own solution; what could be more American than that?

Okay, now back to the reliable and low-cost thing. I know what at least some of you are thinking. You're thinking, "I'm not sure I would call it reliable, and I don't think I would call it low-cost". Well, keep in mind everything is relative.

When you live in town, you are normally located within five miles of the substation or source of power. When you live in the countryside, such is not the case. It is not uncommon for rural consumers to live many times five miles from the closest substation. The extra miles are also extra opportunities for something to go wrong. In other words, your exposure is greater, and so the frequency of problems is greater.

The cost of electric energy is the other side of the reliability coin. Rio Grande is more than able to bring you near-perfect service, but at what price? In short, the greater the reliability, the greater the cost. This fact of life is compounded by another well-known fact, that being meter density. With only one meter for every mile of constructed line, there is little opportunity to spread those costs. The average electric cooperative in Texas has five meters per mile of line in service, while investor-owned utilities have many times that amount. The more meters served, the more able we are to spread fixed costs and mitigate the effect.

For where we are, and the challenges we face, the service you receive is as reliable and cost-effective as it can be. I hope you can agree with me on that point, but if you can't, please be patient, because we are constantly working to improve your service. We have our priorities straight; we work for you, and that is your **"Home Team Advantage"**.