



Rio Grande Electric Cooperative, Inc.

UP DATE



August, 2006



A Message From The General Manager/CEO

By Daniel G. Laws

Perceptions About Electric Cooperatives

It's interesting to note the perceptions people now have about utility companies, and unfortunately, some of those notions are spilling over to color people's perceptions about even their cooperative. At a Town Hall Meeting, one of our members said something that really made me realize how people are beginning to look at electric providers. The Enron scandal, all the news about energy traders getting caught with their hands in their respective "cookie jars", energy companies going bankrupt, making shady deals, etc. – all make people wary of any energy provider. Electric utilities have begun to be thought of like lawyers – you've all heard the lawyer jokes. Now, we all know that lawyers are not all bad, sneaky, etc. – just like not all energy providers are like Enron.

By design, cooperatives have checks and balances that prevent them from ever becoming Enron-like. Because our members are the owners, if a cooperative ever heads in a business direction that the member-owners don't agree with, they have the means to change the course. This steering is done by the entire membership through participation on Advisory Committees, through the voicing of opinions and concerns at Town Hall Meetings, and most importantly, through the casting of ballots in the annual director election. No other business model provides for such complete, democratic governance by the recipients of the service or product provided.

You will shortly be receiving a ballot for the upcoming director election. This is your opportunity to steer the course. If you do not know the candidates selected by the nominating committee, find out about them. Call your friends and neighbors, an Advisory Committee member, or your director for information. Then vote! It is not only a Co-op member's right to vote in the election — it is a responsibility.

You even have the chance to have your own name added to the ballot. It's a simple process. First, have at least fifteen of your fellow co-op members sign a petition to have your name placed on the ballot. Return the petition to the Co-op before the end of August. When you submit the petition, you will be asked to sign an Affidavit of Eligibility, which will be reviewed for compliance with RGEC's bylaws. Petitioning candidates meeting eligibility criteria are added to the official ballot, which is sent to each RGEC member.

The completed ballots are sent directly to an independent auditing firm, where they are tabulated. A representative of the auditing firm will announce the election results at the 61st Annual Meeting, which will be held Saturday, October 14, 2006, at the Dell Telephone Cooperative Building, in Dell City, Texas.

During the business meeting, members will receive an update on the happenings and future happenings at RGEC, financial, and other reports. Door prizes, entertainment, and a great meal top off the event! As a member-owner of Rio Grande Electric Cooperative, you owe it to yourself to participate in the process by attending the Annual Meeting – it's just another reason Rio Grande Electric Cooperative is **"Your Home Team Advantage."**